

This Replacement Prospectus is dated 3 August 2011 which replaces the Prospectus 8 April 2011 in relation to the offer of 60,000,000 shares in Altius Mining Limited



PROSPECTUS FOR INITIAL PUBLIC OFFERING

ALTIUS MINING LIMITED
ACN 126 540 547

Level 3 521 Toorak Road
Toorak VIC 3142 Australia
PO Box 473 Toorak VIC 3142

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Altius Mining Limited
ACN 126 540 547

This document is a replacement prospectus which replaces the original prospectus dated 8 April 2011 already issued.

The reason for the issue of this replacement prospectus is that in the original prospectus ('the prospectus') there are statements relating to production targets and forward looking statements based upon such statements and non-compliance with JORC Code which may possibly be misleading and which therefore should not be relied upon by potential investors when reaching a decision to accept an offer for the shares the subject of the prospectuses.

A table of changes made to the original prospectus dated 8 April 2011 which are included in this replacement prospectus is attached hereto.

Investors who have accepted the offer for shares pursuant to the replacement prospectus are now given the opportunity to reconsider such acceptance before the issue of the shares.

Any such investors who wish to withdraw their applications for securities may do so by notification to the Company as follows:

Level 3 521 Toorak Road
Toorak VIC 3142
Australia
Phone: (61+) 1 300 136 453
Fax: (61+) 1 300 232 784
Email: ipo@altiusmining.com.au

Such notification must be received within one month of this replacement prospectus.

Any investor who so advises the Company will have their application moneys returned with any accrued interest.

Chief Financial Officer/Executive Director

Altius Mining Limited

TABLE OF CHANGES TO THE 8TH APRIL 2011 PROSPECTUS, INCLUDED IN THIS REPLACEMENT PROSPECTUS.

In summary, the changes to the 8th April prospectus cover the following items:

- Due to the issue of a Replacement Prospectus: notes, key dates are changed to reflect such.
- Removal of areas where there has been a Resource or Production Targets named that does not comply with the JORC code.
- Removal of areas that state historical resources.
- Removal of forward looking statements.
- Updated and altered Independent Geological Report.

Page No.	Area	Changes
Cover	Add Replacement Prospectus Detail	
All Pages	Bottom Notation	This is a Replacement Prospectus dated 26/7/2011.....etc.
2	Lodgement & Listing section	Relating to Replacement Prospectus
	Exposure Period	Delete
2 & 3	All	Change Prospectus to Replacement Prospectus
3	Apply for Shares	Add wording – Investors should note.....etc (whole paragraph)
4	Existing Gold Processing Plant	Delete last bullet point
	Resources and Targets	Delete section
	Footnote Notation	Delete notation
5	Key Dates & Actions Required	Change of dates
6-7	Table of Contents changes where required	
8	Chairperson's Letter	Delete Historical, beneficiation and Targets.
11,12,13	Tables & Notes & Footnote	Delete Company Goals, Targets Columns
20	5.1 first paragraph & info in picture	Delete historical info.
23	Delete Inferred Gold Resource Paragraph	
24	Flying Cow Picture	change from 25 tonnes to 10 tonnes

TABLE OF CHANGES TO THE 8TH APRIL 2011 PROSPECTUS,
INCLUDED IN THIS REPLACEMENT PROSPECTUS.

26	Historical Info in picture and statements	The ref to Fortune & The Lady Franklin Paragraph.
28	Historical Info in picture and statements	5.2.4 last part of para 1, last sentence take out tonnage & grade, 5.2.5 last sentence para 1. And remove 3.6 million ounces.
31,32,33	Historical Info in picture and statements	5.2.7 2nd para delete tonees & grade, info in pic. 5.2.8 3rd para 1st sentence. Last para delete 21k ozs of gold 5.3 complete change to area.
35	Summary changes	6.1 para 3 total change
36-40	Target & historical info.	Delete targets & historical data from goals, pics.
46,47	Beneficiation Targets	6.2.6 Delete all beneficiation and targets from goals., delete gold resources reserves note.
58	Conceptual targets	6.2.12 delete conceptual targets
63-100	IGR new.	Adj full report.
135	Name of Board	Replace Woodforde with Alfonso error.
141	Signing Page	Change Date & Prospectus to Replacement Prospectus
End	Application Form	Change Dates & Prospectus to Replacement Prospectus



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BOARD OF DIRECTORS

Dr Jannie Chan Siew Lee
(Non-Executive Chairperson)

Alexander King
(Managing Director/CEO)

Robert McLennan
(Non-Executive Director)

Joe Fekete
(Executive Director/CFO)

REGISTERED & PRINCIPAL OFFICE

Altius Mining Limited
Level 3, 521 Toorak Road
Toorak VIC 3142

ASX CODE: AYM

CHIEF FINANCIAL OFFICER

Joe Fekete

COMPANY SECRETARY

Alfonso Grillo
TressCox Lawyers
Level 9, 469 La Trobe Street
Melbourne VIC 3000

LEGAL ADVISORS

Websters
Level 11,
37 Bligh Street
Sydney NSW 2000

AUDITORS

BDO Audit (NSW VIC) Pty Ltd
Level 30, The Rialto
525 Collins Street
Melbourne VIC 3000

INVESTIGATING ACCOUNTANT

PricewaterhouseCoopers
Securities Ltd
Freshwater Place
2 Southbank Boulevard
Southbank VIC 3006

CORPORATE ADVISOR AND LEAD MANAGER

Novus Capital Ltd
Level 8,
330 Collins Street
Melbourne Vic 3000

SHARE REGISTRY

Computershare Investor Services
Pty Limited ABN 48078279277
Yarra Falls
452 Johnston Street
Abbotsford VIC 3067



Lodgement and Listing

This Replacement Prospectus is dated **3rd August 2011** and replaces the Prospectus dated 8th April 2011, lodged with ASIC on that date. Neither the ASIC nor the ASX take any responsibility for the contents of this Prospectus. No shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Replacement Prospectus. Application will be made to the ASX within 7 days after the date of issue of this Replacement Prospectus for admission of the Company to the Official List of the ASX and for Official Quotation of the shares, the subject of this Replacement Prospectus.

Notice to Applicants

The Offer contained in this Replacement Prospectus does not take into account the investment objectives or individual financial circumstances of the investor. It is important that you read this Replacement Prospectus carefully and in full before deciding to invest in Altius Mining Limited. In particular in considering the prospects of Altius Mining Limited, investors should consider the risk factors that could affect the financial performance of Altius Mining Limited with regard to the investors' personal financial circumstances. Investors should seek advice from their professional advisors before deciding whether to invest. There is no guarantee that the Shares offered under this Replacement Prospectus will make a return on capital investment, that dividends will be paid on the Shares, or that there will be any increase in the value of the Shares in the future.

Disclaimer

No person has been authorised to provide information or to make any representation in connection with the Offer which is not contained in this Replacement Prospectus. Any such information or representation may not be relied upon as having been authorised by the Company.

No Overseas Registration

This Replacement Prospectus does not constitute an Offer in any place in which, or to any person to whom, it would not be lawful to make such Offer. The distribution of this Replacement Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Replacement Prospectus should seek advice on and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. Applications can only be made by completing the appropriate Application Form in full, in accordance with instructions contained on the following form.

Risks

Before deciding to invest in the Company, potential investors should read the entire Replacement Prospectus and, in particular, in considering the prospects for the Company, investors should consider the risk factors that could affect the financial performance and assets of the Company. Investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues). Altius Mining Limited is in the early stages of development and the risks are, therefore significant. The Shares offered by this Replacement Prospectus should be considered speculative. Refer to Parts 2.7 and 4 of this Replacement Prospectus for details relating to risk factors.

Electronic Replacement Prospectus

A copy of this Replacement Prospectus can be downloaded from www.altiusmining.com.au. Any person accessing the electronic version of this Replacement Prospectus for the purpose of making an investment in the Company must be an **Australian resident and must only access the Replacement Prospectus from within Australia**. The Corporations Act prohibits any person passing on to another person an Application Form unless it is attached to a hard copy of this Replacement Prospectus or it accompanies the complete and unaltered version of this Replacement Prospectus. Any person may obtain a hard copy of this Replacement Prospectus free of charge by contacting the Company.

Financial Amounts

Money as expressed in this Replacement Prospectus is in Australian Dollars unless specified otherwise.

Glossary

Certain terms and abbreviations used in this Replacement Prospectus have defined meanings, which are explained in the Glossary.

Forward-Looking Statements

Certain statements in this Replacement Prospectus constitute forward-looking statements. Investors should note that those statements are inherently subject to uncertainties in that they will be affected by a variety of known and unknown risks, variables and other factors which could cause actual values or results, performance or achievements to differ materially from anticipated results, implied values, performance and achievements expressed, projected or implied in the statements. These risks, variables and factors include, but are not limited to, the matters described in Section 4. Altius Mining Limited gives no assurance that the anticipated results, performance or achievements expressed or implied in those forward-looking statements will be achieved.

Applying for Shares

Investors who wish to subscribe for Shares must complete the Application Form included in this Replacement Prospectus. Investors should note that the offer of shares made under the Prospectus dated 8th April 2011 (which this Prospectus replaces) closed fully subscribed on the 17th June 2011 and there may be in consequence, very few, if any, offers accepted by Altius Mining Limited in relation to applications for shares made under this Replacement Prospectus.

Restricted Securities

Subject to the Company being admitted to the Official List, certain of the issued Shares, other than those subscribed for under this Replacement Prospectus, may be classified by the ASX as restricted securities and will be required to be held in escrow pursuant to ASX Listing Rules.

Privacy

If you apply for Shares you will be asked to provide personal information to Altius Mining Limited (and to Altius Mining Limited Share Registry) which collects, holds and uses that personal information in order to assess your application, service your needs as an investor, provide facilities and services that you may request and carry out appropriate administration. By submitting an Application Form, each applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's agents, contractors and third-party service providers (including mailing houses), the ASX, the ASIC and other regulatory authorities.

Enquiries

Enquiries concerning the Offer should be directed to the Altius Mining Information Line at Computershare Registry Services Ltd on: 1300 707 513 (within Australia) or +61 3 9415 4170 (from outside Australia) from Monday to Friday, 8:30am to 5:00pm (AEST) or Lead Manager/Sponsoring Broker, Novus Capital Ltd on +61 3 8602 1710.

Strong Leadership, Experienced Board & Senior Management	The Board and Management Team have extensive and relevant industry experience in resource exploration, development and mining management.
Gold Focus	The primary focus of Altius is gold production, exploration and mine development.
Production, Exploration & Development Capabilities	- Gold production from Forsayth, QLD post IPO - Additional open cut development of gold mines from its Sofala, Karangi, and Gowulma-Gunners tenements, NSW. - Exploration advanced at Beehive East for Rare Earths; Huntingfield for iron (pisolites) and nickel resources.
Strategic Regional Position	The company holds tenements having a total area over 3,000 km² at Forsayth (QLD) and NSW with targets in highly prospective and established world class mining districts.
Existing Gold Processing Plant	- Gold processing plant at Forsayth QLD is near completion. - Initial capacity of 100t/day for gravity recovery and 60t/day for flotation - Independently verified 96% recovery - Significant expansion capacity.
Infrastructure Ready	- All tenements are located near existing railroads, power, labour, water and other infrastructure important in reducing future costs. - Two Mining Leases at Forsayth have permits to enable immediate mining to take place.
Strong Project Pipeline	- Currently developing asset portfolio including principal operations in Forsayth, QLD. - Seeking to develop two gold resources by open pit at Company's deposits at Sofala, NSW. - Seeking early feasibility for iron pisolites at Huntingfield, NSW and rare earths at Beehive East, NSW - Priority targets defined and immediate drilling programs planned.
Risk of investment	- There are risks associated with investment in a publicly listed company and particular risks associated with mining exploration which is a speculative activity. - Potential investors should pay careful attention to the summary of such risks as set out on pages 17-19 of this Prospectus and may wish to consult their professional advisors in relation thereto. - There is a risk that tenements may not yield the expected levels of mineralisation, the existing resources may not be proved up to the anticipated levels and anticipated JORC levels of resources may not be achieved.



	Min \$8m Subscription	Max \$12m Subscription
Offer Price	\$0.20	\$0.20
Shares on Issue	147,952,938	147,952,938
Shares Issued on conversion of Convertible Notes (see section 14)	52,904,899	52,904,899
Shares to Corporate Advisor and Lead Manager	750,000	750,000
Shares issued pursuant to this Offer	40,000,000	60,000,000
Total Shares	241,607,837	261,607,837
Market Capitalisation (\$m)	\$48.3	\$52.3

KEY DATES & ACTION REQUIRED

The dates shown in the Table of Key Dates below, are indicative only and may be varied. The Company reserves the right to vary the Opening Date and the Closing Date, without prior notice, which may have a consequential effect on other dates. Accordingly, Applicants are encouraged to submit their Applications as soon as possible after the Offer opens.

Lodgement of the Replacement Prospectus with ASIC	3 August 2011
Opening Date for Offer	4 August 2011
Closing Date (Last Day for Applicants to lodge Application Forms)	31 August 2011
Last day for withdrawal of applications made under Prospectus dated 8th April 2011	2 September 2011
Allotment of New Shares	5 September 2011
Despatch of shareholder statements	8 September 2011
Estimated date for quotation of New Shares on the ASX	15 September 2011

Persons wishing to apply for New Shares pursuant to the Offer must complete the Application Form at the back of this Prospectus and send that form together with the Subscription Amount to the address shown on the form so that it is received prior to the Closing Date. Further information is provided in Part 3 of this Prospectus.

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1. CHAIRPERSON'S LETTER



March 11, 2011

Dear Investor,

On behalf of the Board of Directors of Altius Mining Limited ("Altius" or "Company"), I would like to invite you to participate in this public offer of shares in the Company.

Whilst Altius is predominantly focused on the development and mining of its primary gold assets at Forsayth in far north Queensland ("FNQ"), the Company has also amassed substantial tenement holdings across a broader spread of commodities. These include identified exploration targets for rare earth elements (REE), iron ore, copper and platinum group elements (PGE), all in NSW, which will enable Altius to spread its risk profile accordingly.

The Company is also committed to maintaining and further developing its 'green' credentials in regard to its exploration and mining activities. This is an area that both the Board and I feel very strongly about. Sustainable mining is our mantra.

- Altius has four immediate priorities:
- Forsayth, FNQ for immediate gold production;
- Beehive East in central NSW for REE exploration;
- Sofala in mid north coast NSW for near term gold production and
- Huntingfield, south of Broken Hill for iron and nickel project development.

At Forsayth, the combined Mining Leases and Exploration Permit cover more than 50 historic gold workings and deposits.

Altius projects in NSW are exploring for gold, rare earth elements (REE), iron, nickel, copper and platinum.

- Beehive contains trachyte pipes potentially REE bearing, similar to our immediate neighbour at Toongi.
- The Company plans to expand and develop its gold resources at two open pit deposits at Sofala.
- Huntingfield, 500 km south of Broken Hill may contain iron mineralisation based on recent low-level aeromag and radiometric work.

The purpose of the Offer is to raise a minimum of \$8,000,000 and a maximum of \$12,000,000 through the issue of up to 60,000,000 Shares at \$0.20 per Share, with the proceeds to be used to:

- Increase and upgrade identified gold resources at Forsayth, FNQ and Sofala NSW;
- Drill identified targets, expand resources and move to feasibility, development and mining of the Company's NSW tenements (refer Section 6)

I have a great degree of confidence in Altius' strategies to develop these assets into long life operations with significant upside potential.

I would invite you to read the detailed information contained within this Prospectus concerning the Offer, the Company, its projects and the key general and specific risks (refer to Section 4). Please study this document carefully in order to make an informed decision on your investment in Altius.

I am pleased to commend the Offer to you on behalf of the Board of Directors and look forward to welcoming you as a shareholder in Altius Mining Limited.

Yours faithfully,

Dato' Dr Jannie Chan Siew Lee

Chairperson – Altius Mining Limited



This Section is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

2.1. COMPANY OVERVIEW

Altius Mining Limited is an emerging gold production and exploration company committed to the discovery, development and mining of economically viable mineral resources. The Company is well positioned to build shareholder value by capitalising on its resource delineated targets and the forecast growth of the resources and the gold industries.

2.2. COMPANY ASSETS

Altius' QLD projects are Exploration Permit for Minerals 14498 (EPM 14498), Mining Lease 3417 (ML 3417) and Mining Lease 3418 (ML 3418). The Company also wholly owns 12 Exploration Licences covering approximately 3,000km²s of highly prospective geology, including a significant area in the Lachlan Fold Belt of NSW – home to Newcrest's Cadia-Ridgeway gold-copper deposit, Rio Tinto's Northparkes copper-gold deposit and Barrick's Cowl Gold Mine. A number of Altius' projects are in geologically comparable settings to those mentioned above.

Investors' should note when referring to the Independent Exploration Titles Report, that the following pending NSW license renewals have been renewed: EL 7036, EL 7039, EL 7041, EL 7045, EL 7046, & EL 7082 and renewal paperwork has been lodged for the following NSW licenses: EL 7155, EL 7159 & EL 7173.

We also refer to the Independent Exploration Titles Report, that relates to Encumbrances and advise that documentation has been finalised and lodged for the removing of the caveat over tenements ML 3417 & ML 3418 and therefore there are no encumbrances over the Queensland tenements.



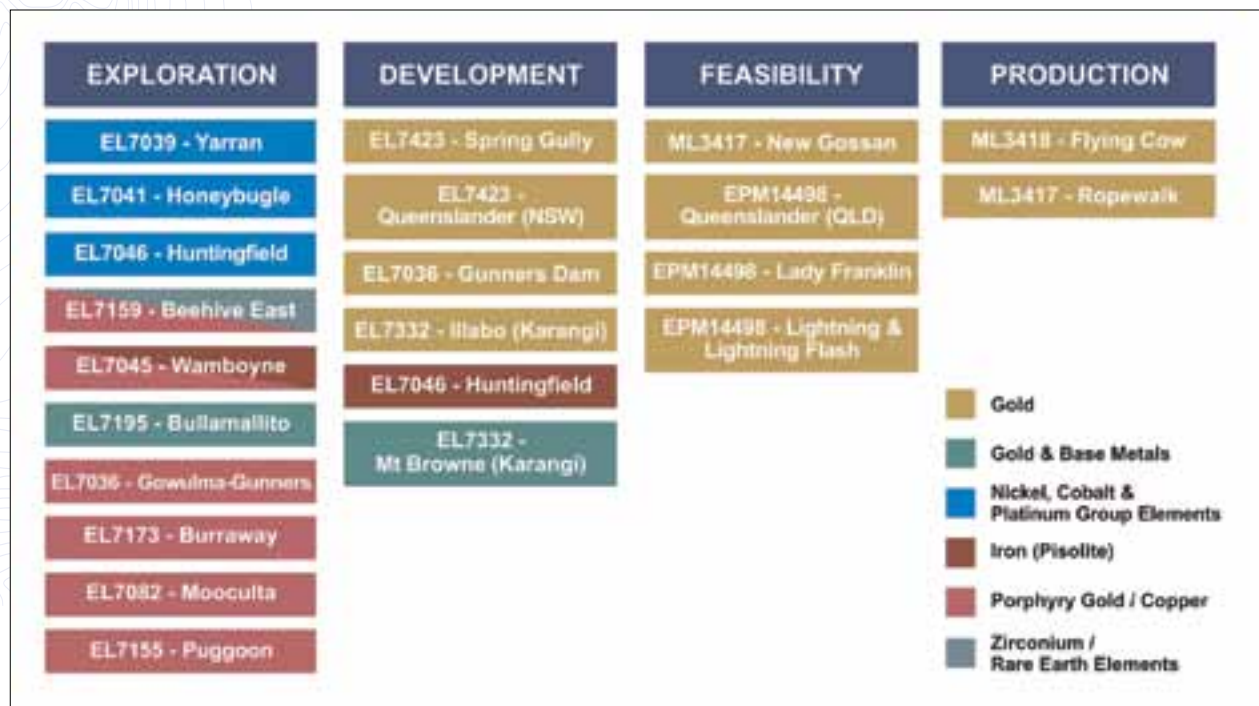
The location of the Company's exploration and mining assets, and their proximity to major towns and infrastructure.

Asset Development

Altius' project pipeline or 'growth strategy' shows project development and maturity as well as the broad spread of commodities being targeted.

Gold resource targets are covered in the Independent Geologist's Report in Section 8 and also described in Section 6.

Altius Project Pipeline



The Company's projects, grouped by commodity type are summarised below. Importantly the Exploration Concepts are described for each of the projects. (For more detail see Sections 5, 6 & 8)

GOLD

Tenement	Lic. No.	Size (km ²)	Location	Exploration Concepts	Status
Forsyth (QLD)	EPM14498, ML3417 & ML3418	71	FNQ, 400km SW Cairns, 60 km northwest of the Kidston Gold Mine	Bonanza gold zones and possible 'Kidston Gold Mine' IRGD	Mining Leases granted 2007. Regulatory conditions met including necessary environmental approvals. Infrastructure for mine in place.
Karangi (NSW)	EL7332	243	New England Fold Belt, 5km west of Coffs Harbour	High grade gold structures. Quartz vein stockworks with coincident geochemical and geophysical anomalies. Cu-Au at Mt Browne.	Planned sampling, including drilling, to start in 2011. Lodge Mining Assessment Lease applications and seek necessary environmental approvals by EOY 2011.
Sofala (NSW)	EL7423	155	30 km north of Bathurst	Possible Cadia-Ridgeway type system feeding high-grade gold mineralisation near surface.	Planned sampling, including drilling, to start in 2011. Applications for Mining Leases to be lodged with the necessary environmental approvals to be sought by EOY 2011.

GOLD-COPPER

Tenement	Lic. No.	Size (km ²)	Location	Exploration Concepts	Status
Gowulma – Gunners (NSW)	EL7036	134	50 km north of Orange and the Cadia Ridgeway Cu-Au Mine	Northparkes/Cadia-Ridgeway type deposits.	Complete planned high resolution geophysics and drill defined anomalies.
Wamboyne (NSW)	EL7045	275	10 km west of Barrick's Cowal Gold Mine – share perimeter.	Porphyry Cu-Au mineralisation within favourable geophysical and structural locations associated with the Gilmore Suture.	Complete planned high resolution geophysics and drill defined anomalies.
Mooculta (NSW)	EL7082	188	20 km east of Bourke	Porphyry Cu-Au and related base metal mineralisation within Ordovician shoshonitic volcanics as recently described by the NSW Geological Survey.	Drill out existing base metal (high-level porphyry environments) and potentially deeper Cu-Au mineralisation.
Puggoon (NSW)	EL7155	183	North of Mudgee and the Gulgong goldfield	As for Gowulma-Gunners.	Define the extents of the Fe-skarn mineralisation and its relationship to a large potentially Au-Cu bearing igneous body.
Burraway (NSW)	EL7173	90	North of Narromine	Northparkes/Cadia-Ridgeway type deposits.	Complete planned high resolution geophysics and drill defined anomalies.

NICKEL-COBALT, PLATINUM GROUP ELEMENTS (PGEs)

Honeybugle (NSW)	EL7041	218	Southwest of Nyngan	PGEs, Ni-Co, Au +/-Sc within a layered ultrabasic alaskite model.	Commence large scale air-core and RC drilling
Yarran (NSW)	EL7039	200	Adjacent to the Owendale, Cincinatti, Fifiel and Syerston PGE and Ni-Co deposits	Distal Ni-Co, PGE and Au mineralisation associated with the Fifiel and Syerston ultrabasic bodies. Altius EL adjacent to Ivanplats deposit	Complete planned high resolution geophysics and drill defined anomalies.
Huntingfield (NSW)	EL7046	659	South of Broken Hill and east of Radium Hill	Kars ultrabasic Ni-Co, Au mineralised province with settings comparable to those to the north and east EL's of neighbouring explorer VALE/Inco	Drill geophysical targets defined by Altius' recently flown high resolution aeromag/ radiometric survey.

BASE METALS (LEAD & ZINC)

Tenement	Lic. No.	Size (km ²)	Location	Exploration Concepts	Status
Bullamalito (NSW)	EL7195	303	South of Goulburn (northeast of Woodlawn mine)	Woodlawn equivalent deposits as well as epithermal gold targets.	Define high grade base metal mineralisation within rocks similar to those at Woodlawn.

IRON PISOLITES

Huntingfield (NSW)	EL7046	659	South of Broken Hill and Hawson magnetite deposit	Determine Fe mineralisation in identified pisolite Channel Iron Deposits (CID) draining Hawson magnetite formation	
Wamboyne (NSW)	EL7045	275		Determine Fe mineralisation in identified pisolite Channel Iron Deposits (CID).	

RARE EARTH ELEMENTS (REEs)

Beehive East (NSW)	EL7159	138	Proximal, 5km south of world class Toongi Zr, Rare Earth deposit	Zr/REE mineralisation; porphyry Cu-Au targets also exist	Commence sampling and drilling of the 'Toongi Zr, REE look alike deposit' trachytes pipes in 2011.
Huntingfield (NSW)	EL7046	659	South of Broken Hill	Determine extent of Thorium monozites as potential partner to REE mineralisation in 15km identified radiometric anomaly	Implement drilling and sampling program to determine extent of monozites
Yarram (NSW)	EL7039	200	Adjacent to the Owendale, Cincinatti, Fifield and Syerston PGE	Determine extent of Scandium mineralisation extension to Yarram from recent Syerston drilling	Drill extension of Syerston deposit

2.3. PURPOSE OF THE OFFER

The purpose of the Offer is to raise funds to:

Commence gold production at the Company's Forsyth tenements in Far North Queensland

Drill identified targets within the Company's tenements, primarily QLD to increase & upgrade gold resources from those previously delineated

Explore the Company's NSW tenements with the view to identifying gold, iron (pisolite), copper, nickel-cobalt, PGE & REE resources

Meet the ongoing administration costs of the Company

Pursuant to the Offer, Altius is seeking to raise a minimum of \$8 million and a maximum of \$12 million. Funds raised from the Offer will be used as follows:

Summary	MIN \$8m			MAX \$12m		
	Yr1	Yr2	Total	Yr1	Yr2	Total
Exploration Budget – QLD	481,221	737,059	1,218,280	2,061,221	3,157,059	5,218,280
Exploration Budget – NSW*	1,219,842	1,261,878	2,481,720	1,219,842	1,261,878	2,481,720
Fees and Expenses of Listing**	860,000		860,000	1,100,000		1,100,000
Capital Expenditure***	1,000,000		1,000,000	1,000,000		1,000,000
Working Capital	1,238,000	1,202,000	2,340,000	998,000	1,202,000	2,100,000
Total	4,799,063	3,200,937	8,000,000	6,379,063	5,620,937	12,000,000

*Refer to Section 8, independent Geological Report (pages 93), which shows an overview of expenditure of 2 years by area of exploration. There is also two separate table for QLD (page 73) and NSW (page 92-93) detailing specific expenditure and proposed works.

** Refer scheduled 14.11 (page 134), which details the estimated fees and commissions payable on the offer.

The above table does not include transaction costs of \$465,854 which were paid prior to 31 December 2010 and related to the previous Prospectus.

***Capital Expenditure relates to the finalisation of the plant at the Forsyth mine site and required plant and equipment for mining operations.

2.4. CAPITAL ADEQUACY

The Directors are satisfied that, subject to completion of the Subscription (as detailed above), the Company will have sufficient working capital to meet its stated objectives of increased production and implementation of its exploration programs. The Company has budgeted on the basis of its planned production and exploration programs operating over two years. The Company reasonably expects that in the future there will be a requirement for additional funding to improve revenues from gold production in order to advance its programs further.

2.5. CORPORATE ADVISOR AND LEAD MANAGER

Novus Capital Ltd has agreed to be the Company's exclusive Corporate Advisor and Sponsoring Broker/Lead Manager for the listing of the Company on the Australian Securities Exchange (ASX). Novus brings to the Company a proven and successful track record of a large variety of Corporate transactions.

Novus has particular expertise in the junior resources sector, having completed numerous corporate transactions in this sector over the years. We refer you to their web site at www.novuscapital.com.au for further information.

The terms of the Corporate Advisor and Lead Manager Agreement are set out in Section 14 of the Prospectus.

2.6. CAPITAL STRUCTURE

The capital structure of the Company at completion of the Offer will be as follows:

SHARES	Min \$8m Subscription		Max \$12m Subscription	
	Number	Holdings %	Number	Holdings %
Offer Price	\$0.20		\$0.20	
Shares on Issue	147,952,938	61.0%	147,952,938	56.4%
Shares Issued on conversion of Convertible Notes**	53,774,747	22.2%	53,774,747	20.5%
Share to Sponsoring Broker	750,000	0.3%	750,000	0.3%
Shares on public offering	40,000,000	16.5%	60,000,000	22.8%
Total Shares*	242,477,685	100.0%	262,477,685	100.0%
Market Capitalisation at the Offer Price (\$m)	\$48.5		\$52.5	
UNLISTED OPTIONS	Number		Number	
Management and consultant allocations	7,500,000		7,500,000	
Options through Pre IPO (Refer Section 14)	30,968,750		30,968,750	
Options through Convertible Notes (Refer Section 14)	21,875,000		21,875,000	
Options to Directors (Refer Section 14.10)***	12,000,000		12,000,000	
TOTAL	72,343,750		72,343,750	

*Some of these shares are subject to ASX escrow conditions for up to two years from the date of official quotation of the Shares on the ASX (Refer Section 13.13).

**The terms of the convertible notes are that they convert to ordinary fully paid shares only (not cash) either prior to or on listing by lodging a conversion notice with the Company. The convertible note calculation includes compensation for interest on convertible notes to the expected allotment date of 20/5/2011.

***Directors resolved to allocate performance options for services in finalising of the prospectus and listing process. These are to be ratified by shareholders at the next EGM or AGM.

2.7. RISK FACTORS

Altius is an emerging gold production and mineral exploration company at an early stage of its development and any investment in its Shares is speculative. There are a number of risks that may have a material and adverse impact on the future operating and financial performance of Altius and the value of its Shares. These include, but are not limited to:

- General risks
- Risks specific to mining exploration & production
- Economic & price risks
- These risks are summarised on pages 17-19 of this Prospectus. Potential investors should pay careful attention to that summary of risks and may wish to consult their professional advisors in relation thereto.
- There is a risk that tenements may not yield the expected levels of mineralisation the existing resources may not be proved up to the anticipated levels and anticipated JORC levels of resources may not be achieved.

3.1. THE OFFER

The Company is offering Shares for a subscription price of 20 cents per Share. The Subscription of minimum \$8 million up to \$12 million is represented by the issue of between 40,000,000 and 60,000,000 shares.

3.2. SHARES

The Shares will be issued on payment of 20 cents per share, payable in full on Application.

The Shares offered by this Prospectus will be issued as fully paid Shares and when issued, will rank equally in all respects with the Existing Shares.

3.3. INDICATIVE TIMETABLES

Key dates of offer



The company reserves the right to vary these dates without notice.

3.4. SUBSCRIPTION

The Subscription to the Issue is a minimum of \$8,000,000 and a maximum of \$12,000,000. If the Subscription is not reached within four months after the date of this Prospectus, the Directors will not allot any Shares and the Company will within seven days thereafter repay all Application Monies received without interest.

Subject to the Minimum Subscription of \$8 million being reached, the issue of Shares will proceed as soon as possible after the Closing Date and after ASX permission for Official Quotation of the Shares is received.

3.5. APPLICATION FOR SHARES

An Application must be made on the Application form attached to this Prospectus in accordance with instructions on the back of that form. The amount payable on Application is 20 cents per Share. Cheques must be made in Australian dollars and made payable to "Altius Mining Share Offer" and crossed "Not Negotiable". An Application must be for a minimum of 10,000 Shares (A\$2000) and thereafter in multiples of 5,000 Shares (A\$1,000) and accompanied by payment of 20 cents per Share. The Application Form and accompanying cheque payment should be returned as soon as practicable after the offer opens by mail to either:

Computershare Investor Services Pty Limited
GPO Box 52 MELBOURNE VIC 3001

Novus Capital Ltd
Level 8, 330 Collins St, Melbourne VIC 3000

Cheques may be processed on the day of receipt and as such, sufficient cleared funds must be held in your account when you return your completed Application form. Cheques returned unpaid may not be re-presented and may result in your Application being rejected. Alternatively, and at the Company's discretion, the Company may treat you as having applied for as many Shares as the cleared funds will pay for.

The Directors will determine the allocation of Shares to Applicants under this Offer. Shares will rank equally in all respects with Existing Shares on issue.

3.6. PURPOSE OF OFFER

The Offer will raise a minimum of \$8,000,000 and up to a maximum of \$12,000,000 before the expenses of the Offer. As outlined in this Prospectus, the funds will be broadly used by the Company to complete the production, drilling and exploration programs outlined in this Prospectus.

Application monies under this Prospectus will be held in trust and will not be released until the Minimum Subscription is achieved and the ASX listing requirements are satisfied.

If any of these conditions do not occur within four months of the date of issue of this Prospectus, then the Company will refund all Application monies, without interest. If the conditions are met, it is anticipated that Application monies would be released to the Company after quotation of shares on ASX.

3.7. WHEN TO APPLY

Applications may be lodged at any time after the issue of this Prospectus. However, as set out in the Prospectus, Applications received during the Exposure Period will not be processed until after the expiry of that period. The Offer will remain open until 5.00p.m. (Eastern Standard Time) on 13th May 2011, subject to the right of the Company to close the Offer earlier or extend the Offer, in each case without prior notice. Early lodgement of your Application is recommended as the Offer may be closed early.

3.8. ASX LISTING

Within seven days from the date of this Prospectus, the Company will apply to the ASX to be admitted to the Official List and for Official Quotation of:

- The Shares issued under this Prospectus
- All Existing Shares

As referred to in section 14.19 of the Prospectus, some of the Existing Shares will be subject to the ASX escrow provisions.

The ASX takes no responsibility for the contents of the Prospectus. The fact that the ASX may admit the Company to the Official List is not to be taken as an indication by the ASX of the merits of the Company or the Shares offered under this Prospectus.

If permission is not granted for the Company to be admitted to the Official List before the end of four months after the date of the issue of the Prospectus, then all Application monies received pursuant to this Prospectus will be refunded to applicants in full, without interest.

3.9. CHESS

The Company will be admitted to participate in the Clearing House Electronic Sub-register System (CHESS) in accordance with the Listing rules and the SCH business rules. On admission to CHESS, the Company will operate an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers will make up the Company's principal register of securities.

The Company will not issue Share certificates to investors. Instead, investors who elect to hold their Shares on the issuer-sponsored sub-register will be provided with a holding statement by the Company which sets out the number of Shares allotted to each investor under this Prospectus. For investors who elect to hold their Shares on the CHESS sub-register, the Company will, on allotment, issue an advice to investors that sets out the number of Shares allotted to the investor under this Prospectus and at the end of the month following the allotment, CHESS (acting on behalf of the Company) will provide investors with a holding statement that confirms the number of Shares allotted.

A holding statement (whether issued by CHESS or the Company) will also provide details of an investor's Holder Identification number (in the case of a holding on the CHESS sub-register) or a Shareholder reference number (in the case of a holding on the issuer sponsored sub-register). Following distribution of these initial holding statements to all investors, a holding statement will only routinely be provided to an investor at the end of any subsequent month during which the investor's holding of Shares changes.

4.1. PAY REGARD TO YOUR PERSONAL FINANCIAL SITUATION

Persons considering an investment in Shares in the Company should read the whole of this Prospectus, including this Section. It is important to consider whether an investment in Shares of this Company fits with your investment portfolio and your financial circumstances and is suitable having considered your own personal investment objectives. It is always prudent to consult with your professional advisor before making a decision to apply for Shares.

4.2 INVESTMENT SPECULATIVE

The below list of factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. These factors and others not specifically referred to herein, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Prospectus. Therefore, the securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider an investment in the Company is speculative and should consult their professional advisors before deciding whether to apply for securities pursuant to this Prospectus.

4.3 TYPES OF RISKS

This Section of the Prospectus details risks that can impact the value of your Shares in the Company. Risks can be classified into two main types: general risks that impact all publicly-listed companies and risks that are specific to exploration companies and production companies such as Altius. This Section also details actions the Directors have taken to mitigate and reduce risks that are within their control. It is important to read this Section in its entirety.

4.4. RISKS GENERALLY APPLICABLE TO LISTED PUBLIC COMPANIES

There are risks that are outside the control of the Directors of all publicly-listed companies, including Altius. Examples include but are not limited to:

- Local and global economic conditions
- Interest rates
- Levels of tax, taxation law and accounting practice
- Government legislation or intervention
- Inflation and inflationary expectations
- Natural disaster, social upheaval or war

4.5. RISKS APPLICABLE TO ALL MINERAL EXPLORATION COMPANIES

As a mineral exploration company, Altius' share price can be impacted by factors specific to the mineral exploration industry. Examples of the risks will be examined in detail later in this Section and include but are not limited to:

- Director and management experience
- Resource estimates
- Environmental impact
- Mining and native title
- Reliance on key personnel
- Exploration and mining
- Commodity prices

While there are risks that are outside the control of the Directors of any mineral exploration company, investors can take comfort in the specific mining exploration track record and experience of Altius' Directors. Tenement selection is based on years of exploration and mining experience in the Lachlan fold belt in NSW and in Queensland, the use of modern exploration techniques and a coherent exploration strategy. Section 5&6 of this Prospectus provides a summary of the exploration strategy.

4.6 EXPLORATION RISKS & RISK MANAGEMENT

While the Directors can take steps to mitigate the risks associated with mineral exploration activities, not all of these risks are capable of being controlled. A fundamental risk outside the control of the Company is material long-term fluctuations in the price of copper, gold and other base metals. These risks impact all exploration and mining companies and can affect the realisation of anticipated operating profits. While returns from Share investments in mineral exploration companies can be substantial, it is prudent for persons seeking to invest in the Shares of the Company to obtain professional advice to ensure the level of risk is appropriate for their investment portfolio.

Directors and Management Experience

Mineral exploration and mining is a highly specialised business and the Board of Directors and management require the appropriate scientific and technical qualifications. They also require skills and qualifications associated with the management and governance of a publicly-listed company. Skills and experience in this area must be augmented with a broad experience base garnered over many years of working in the exploration and mining industry for a range of credible exploration and mining operations.

Resource Estimates

Resource estimates are based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. By their nature, resource estimates are imprecise and are often open to interpretation, which may prove to be inaccurate.

Environmental Impact

The mining industry has become subject to increasing environmental responsibility and liability. Consequently the potential for liability is an ever-present risk. The proposed exploration and mining activities of the Company will be subject to applicable Australian federal and State government environmental laws, regulations and restrictions. The Company is unable to predict the effect of future changes to environmental legislation or policy and the cost of such changes on its operations and financial position.

The Company is aware of its legislative and regulatory obligations and as part of its exploration strategy and investigations, has taken steps to conduct its operations in an environmentally responsible manner and in accordance with relevant obligations as they stand at the time of writing of this Prospectus.

Mining & Native Title

The tenements of many mineral exploration companies are likely to be impacted by the existence of native title or native title claims. Operating profits might be impacted by restricting the ability of the Company to carry out exploration or obtain production tenements, by delays in exploration or it might result in the payment of compensation. Alternatively, access rights might only be obtained by way of agreements that reduce the level of operating profit available to Shareholders or under conditions unacceptable to the Directors and Shareholders of the Company.

Two minor current native title claims over the Queensland tenements of the Company are acknowledged and compensation entitlements have been negotiated and paid. The Independent Exploration Titles Report in this Prospectus covers this risk in detail in Section 9.

Reliance on Key Personnel

The Company relies to a significant extent upon the experience and expertise of its Directors, geologists, project managers and other skilled professionals.

The Company intends to provide appropriate working conditions, develop suitable human resource management strategies and policies to assist in the recruitment and retention of key personnel. Key personnel have been engaged with appropriate work agreements and the Directors believe the exploration results to date will attract suitably skilled and experienced staff.

Exploration & Mining

The business of exploration is inherently a speculative activity and the success in ascertaining economic recoverable resources can never be guaranteed. In addition, drilling operations can be affected by uncontrollable factors such as inclement weather, industrial action, environmental issues, unforeseen increases in costs, technical difficulties not anticipated in the Company's business plan and 'force majeure' events. The development of a mine will require further approvals and will involve additional expenditure in the event that economic gold and copper deposits are discovered. The Company might not be able to raise additional capital or in such an instance be able to find a suitable joint venture partner, all of which are conditions that would negatively impact the Share price.

4.7 OTHER RISKS

Other risks may occur, the nature of which are described below. Such risks might unfavourably impact Australian share market conditions, the value of Shares in this Company or the Company's operating profit and ability to pay a dividend.

Timetable

Circumstances outside the control of the Company may cause the listing timetable to be extended. This may in turn affect future cash flows and the company's funding requirements.

Tenements

The Company's existing tenements have been granted by the NSW and Queensland State Governments and these have a range of conditions which are required to be met in order for them to be renewed. These include reporting and minimum expenditure requirements. There is a risk that the Company may lose title to its tenements if these conditions are not complied with. If any of the tenements under application are not granted then the Company will be unable to explore that tenement.

Concentration of Shareholding

The existing shareholders of the Company will hold various percentages based on the capital raising through the issue of share capital in the Company, if the offer is fully subscribed, see table below.

A significant portion of such shares will be subject to ASX escrow provisions for up to two years.

This may mean that the balance of the shares held by members of the public after such listing (see table below) may have limited liquidity on the ASX market during the escrow period.

	Existing Share Holding	Public Offering
Min \$8 Million Capital Raising	83.5%	16.5%
Max \$12 Million Capital Raising	77.2%	22.8%



The hoist at the Havelock gold mine, southeast of Forsayth 1914

5.1 ALTIUS' MINES AT FORSAYTH QLD AND PROSPECTS

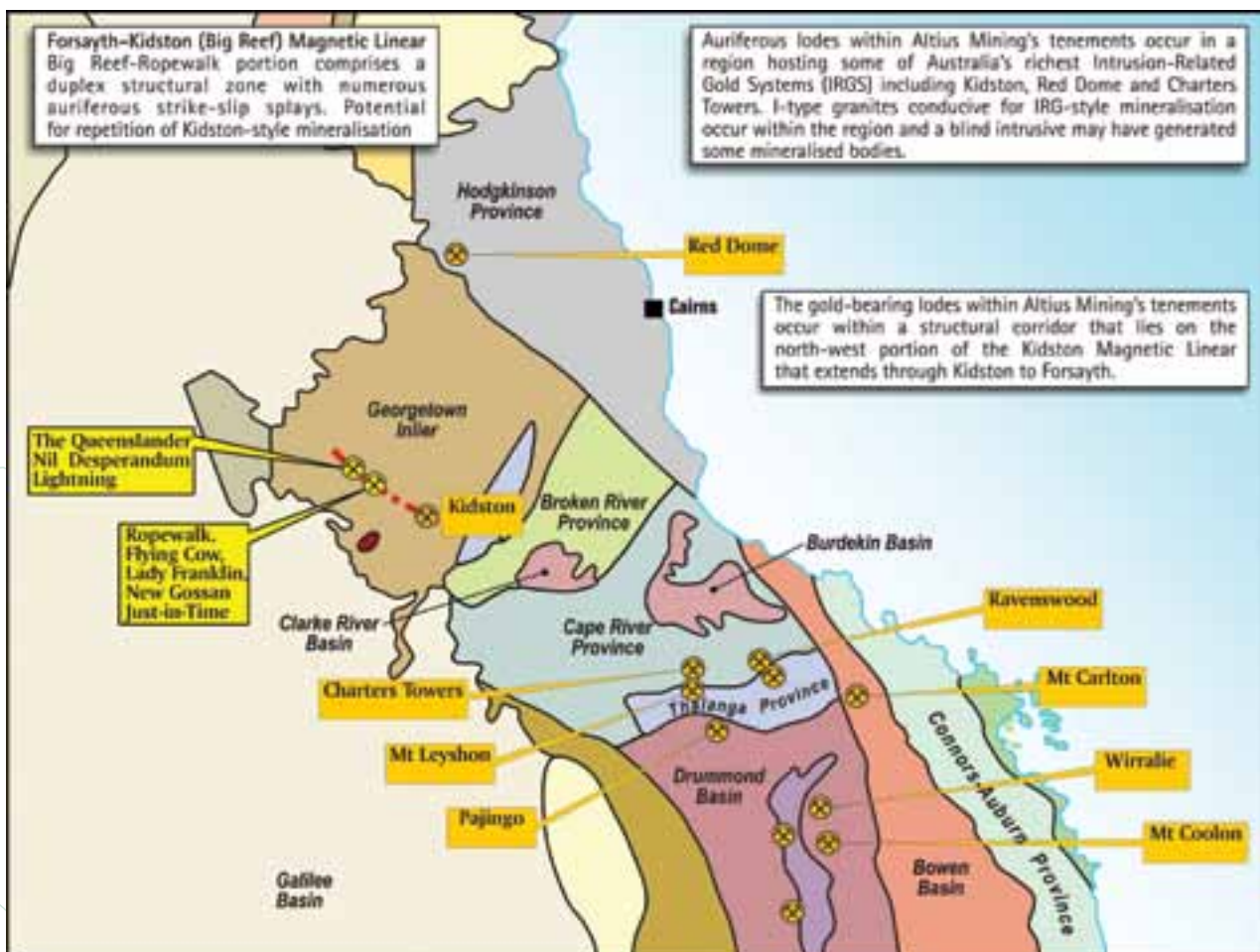
Over 50 historic 'high grade' gold workings, prospects and past producing mines occur within the tenements held by Altius. The Kidston Magnetic Lineament ("KML"), locally known as the Big Reef Fault ("BRF"), passes through Altius' tenements. The BRF is home to the Kidston Gold Mine, a large Intrusion Related Gold Deposit ("IRGD").

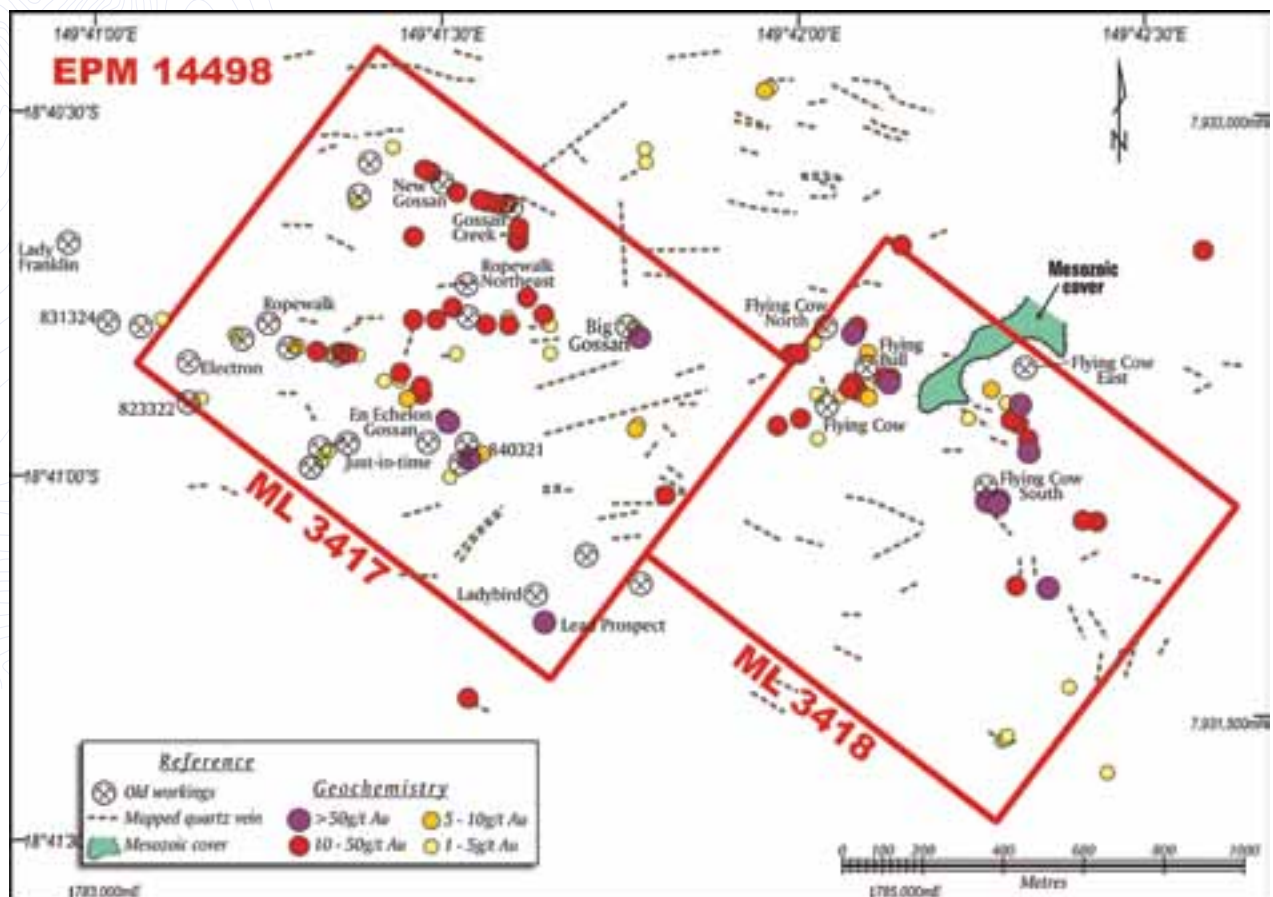


Historical Charleston-Forsayth activity in 1908

Regional geology showing the relationship between Altius' assets and their location, along strike of the multi-million oz Kidston Gold Mine

Location of high grade lodes within the Company's Mining Leases contained within the Company's surrounding EPM





The pull-apart en-echelon structures present within the BRF have proved to be ideal for the deposition of “high grade” gold, silver, copper and other base metals. Gold mineralisation typically occurs within narrow ~2m quartz veins, some of which can be traced for many kilometres. The west-northwest trending Big Reef Fault zone extends over 20 km.

5.2 RESOURCES AND MINERALISATION, PRESENT AND FUTURE

Several studies, yielding resource estimates have been carried out. The results of these are set out in the Independent Geological Report (Section 8).

In addition to the work by previous explorers, Altius has made further important discoveries within its tenements. Work on exposing a number of these recently discovered mineralised zones or ‘lodes’ has begun. This work has resulted in a number of important conclusions, they are:

Improved continuity of the lodes along strike

Confirmation of other nearby gold bearing lodes. These zones may bulk out to potential open pit resources

Some of the more significant structures and their recommended development strategies are detailed below.

5.2.1 FLYING COW MINE AND ASSOCIATED PROSPECTS

The Flying Cow Mine and other nearby prospects, namely the Flying Cow North, Flying Cow East, Flying Cow South and Flying Bull, occur in the northern sector of ML 3418.

Altius recommenced underground mining of the Flying Cow lode during 2009. Raises have been constructed in the upper level (“FCL1”) and are being extended to the surface. A lower level adit (“FCL2”) is under construction to access interpreted down dip extensions to the lode. FCL2 will be driven along the strike of the lode thereby providing further information on the lodes continuity, width and grade. Ore from driving, raising and stopping is being stockpiled to provide feedstock for the nearby processing mill.

Sampling & Results



During 2006-2007, a 14 metre adit and 51 metres of drive were developed through the Flying Cow lode. A well mineralised quartz-pyrite-chalcopryite bearing shear zone was exposed. The lode varied in width from 0.4m to 1.5m and was revealed to strike at 15 degrees magnetic and dip approx. 45 degrees to the east.

Tableland Analytical Pty. Ltd., consultants to Altius Mining Limited, collected fifteen composite rock chip samples (Table below). The sampling covered 21 metres of the 51 metre drive and yielded an average grade of 54.47 g/t Au. Two assays for Cu returned 2.49% and 2.7% respectively. The hanging wall and footwall of the ore body sampled in a drive face (lode gave 58.26 g/t Au), assayed 1.86 and 3.84 g/t Au, demonstrating that even the host rock is gold bearing.

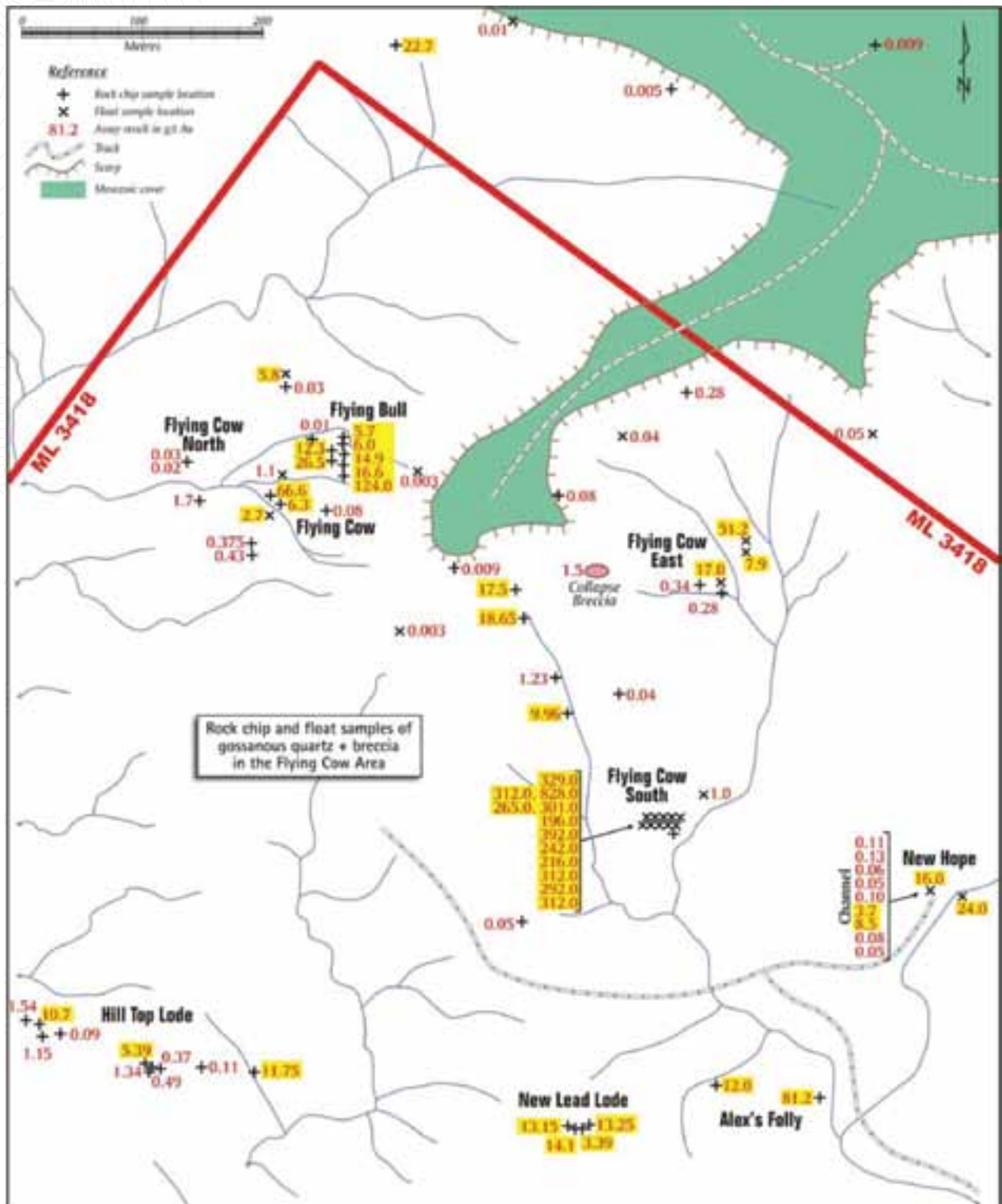
Flying Cow Lode – Underground Rock Chip Results
Flying Cow Mine, Drive and Rise Face Sampling
Composite Rock Chips of Ore Body

		Au g/t	Cu%
10-Nov-06	Drive Face	42.26	
25-Nov-06	Drive Face	66.02	
30-Nov-06	Drive Face 2	118.54	
30-Nov-06	Drive Face 3	28.04	
30-Nov-06	Drive Face 4	81.05	
11-May-07	Drive Face	28.69	
16-May-07	Drive Face 1	75.24	
16-May-07	Drive Face 2	54.91	
14-Jul-07	Drive Face	15.61	
	Face	11.00	
	Face	15.00	
	Rise, Face	75.84	2.49
	East Face Lode	32.49	2.70
	South Face Lode	114.10	
	Face	58.26	
Average		54.47	2.60

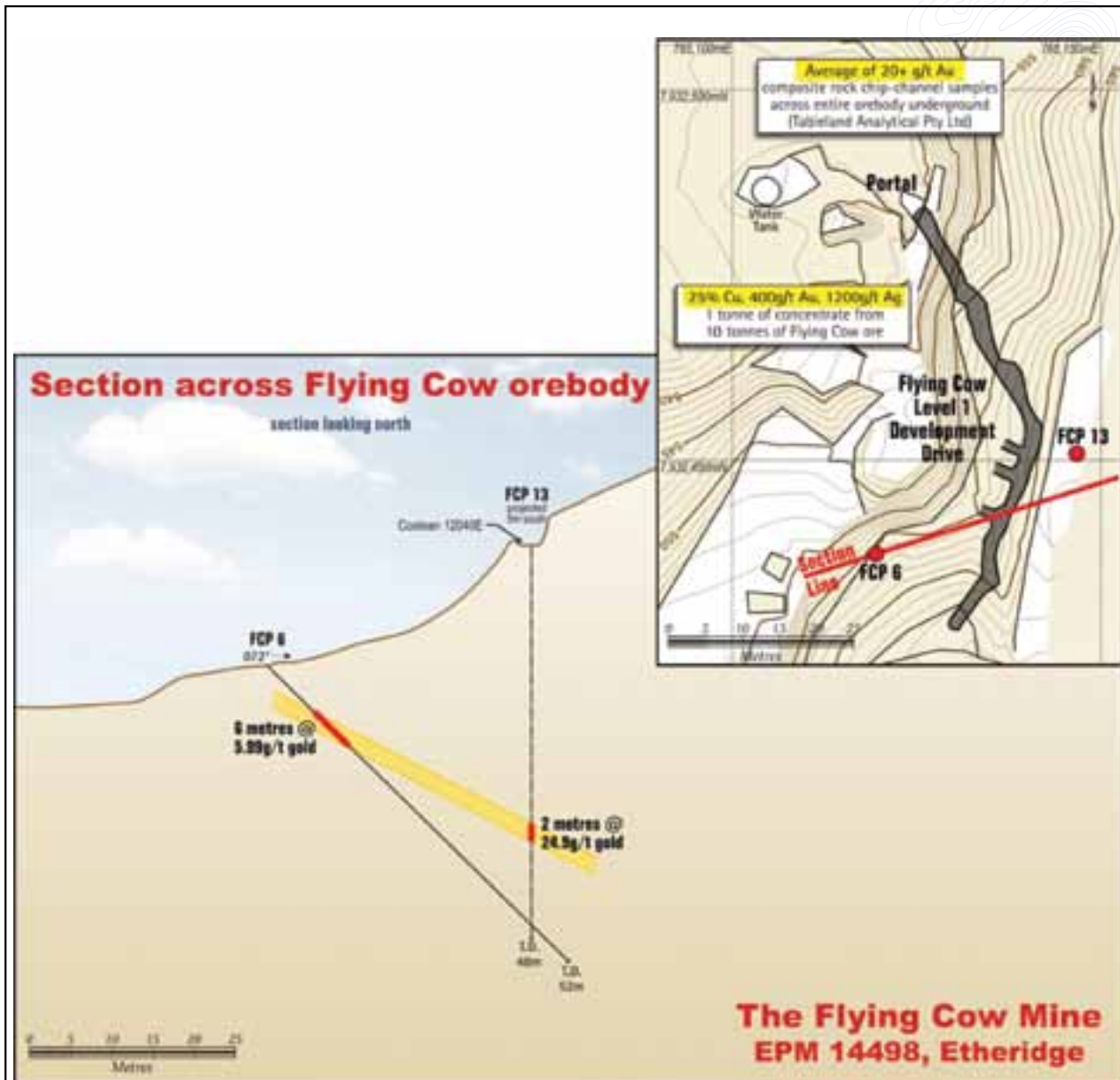
Metallurgical testwork, commissioned by Altius and completed by Gekko Systems (Vic) and Tableland Analytical Pty. Ltd., has been completed. Recoveries of 96% were achieved. Furthermore, the ore has low concentrations of arsenopyrite i.e. the concentrate will not require suppression of arsenic in order to comply with any buyer's specifications.

Importantly, 10 tonnes of this ore produces 1 tonne of concentrate containing 25% Cu, 400 g/t Au and 1,200 g/t Ag. Tableland Analytical Pty Ltd has confirmation from a buyer prepared to pay 80% of the value FOB prior to shipping from Townsville.

Highly mineralised Flying Cow Area



Cross-section through Flying Cow workings

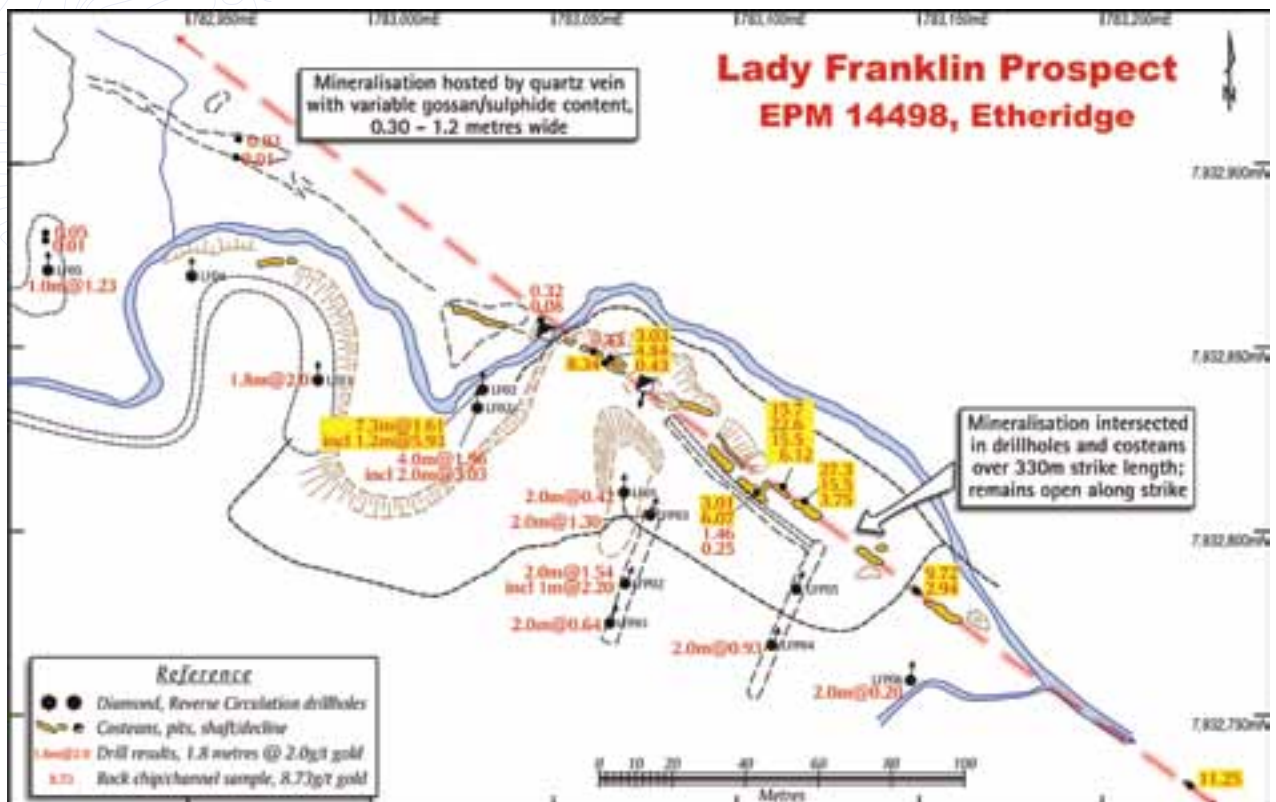


5.2.2 ROPEWALK-LADY FRANKLIN

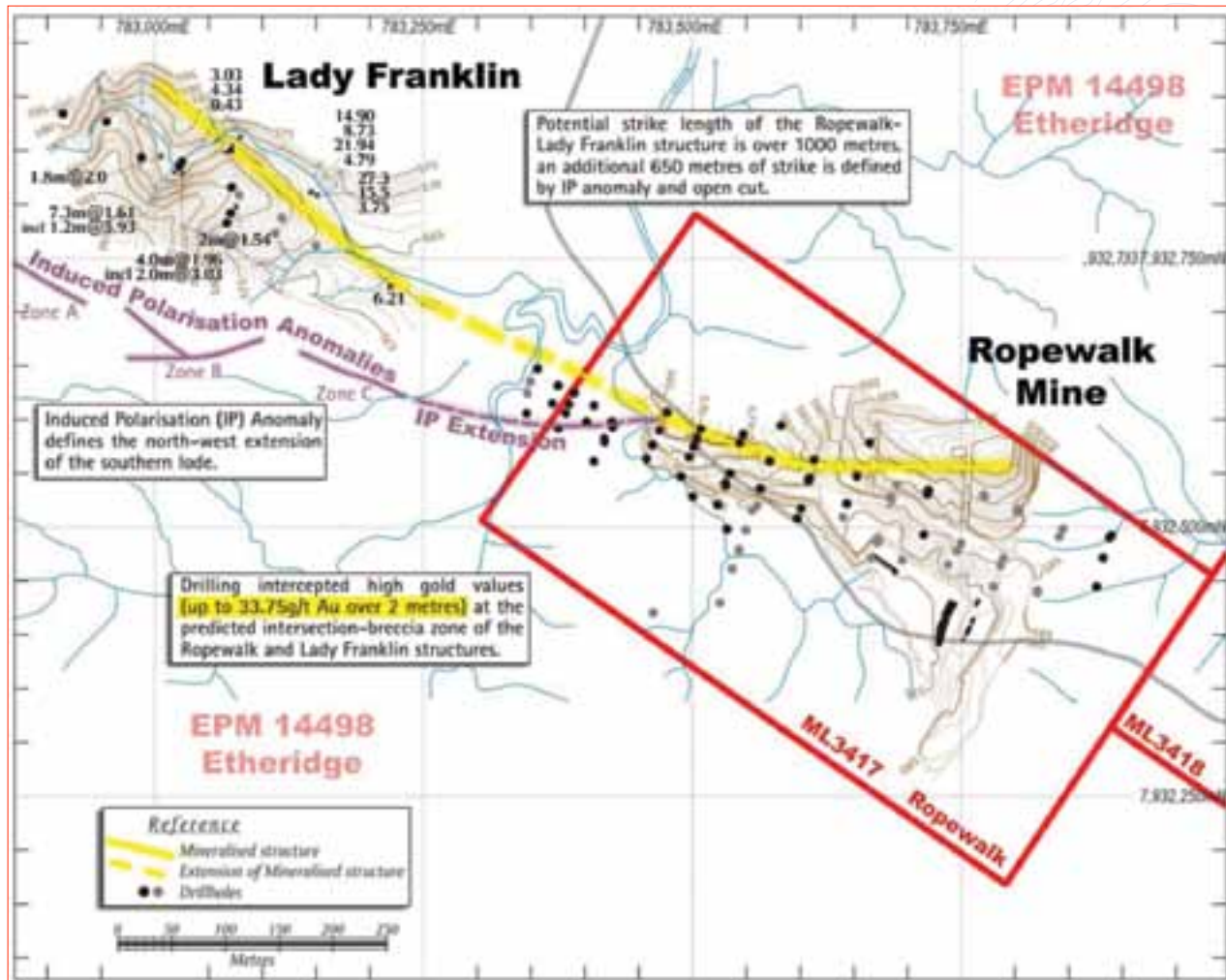
Recent (2011) open pit mining of the north-west end of the Ropewalk mine has exposed an area where the main lode splits into two distinct lodes. The strike of the northern lode indicates that the main Ropewalk and Lady Franklin workings have been developed on the same lode. The southern lode is predicted to extend west and be part of the Induced Polarisation anomaly interpreted by Murdoch Geophysics (1982, Howard-Smith Exploration Pty. Ltd., CR10873) to be a silicified sulphidic shear structure associated with gold mineralisation.

The intersection of lodes could potentially generate a broad breccia zone that may host wide mineralisation, higher grades and potentially a bulk mineable target. A cluster of very high grade gold in drill intercepts was obtained by QMC in the area of the predicted intersection of the lodes.

Ropewalk-Lady Franklin mineralisation



Ropewalk – Lady Franklin



The Ropewalk section of the mineralized structure hosting the Lady Franklin consists of a well defined lode or shear zone structure at least 360m in strike length and varying between 2 metres and 3.5 metres in width as exposed in trenches, the open cut and old pits. The drilling appears to outline a number of high grade shoots within a much lower grade envelope. The highest grade gold intercepts in the drilling include:

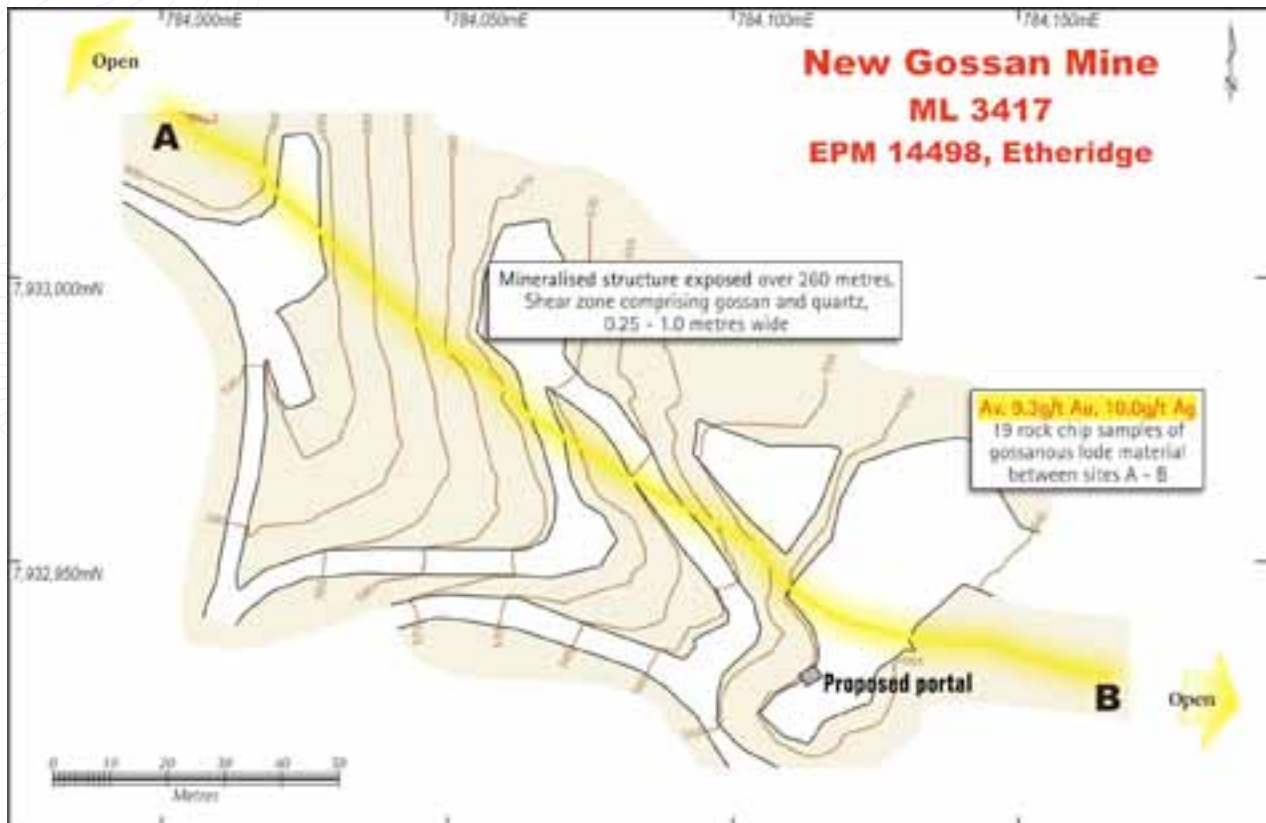
2m at 33.75 g/t Ropewalk Percussion (RWP43)
1m at 24.0 g/t (RWP29)
1m at 20.7 g/t (RWP4)
2m at 15. g/t (RWP3)
2m at 12.7 g/t (RWP17)
1m at 15.0 g/t (RWP50)
1m at 24.1 g/t or 2m at 14.85 g/t or 4m at 8.84 (RWP61).

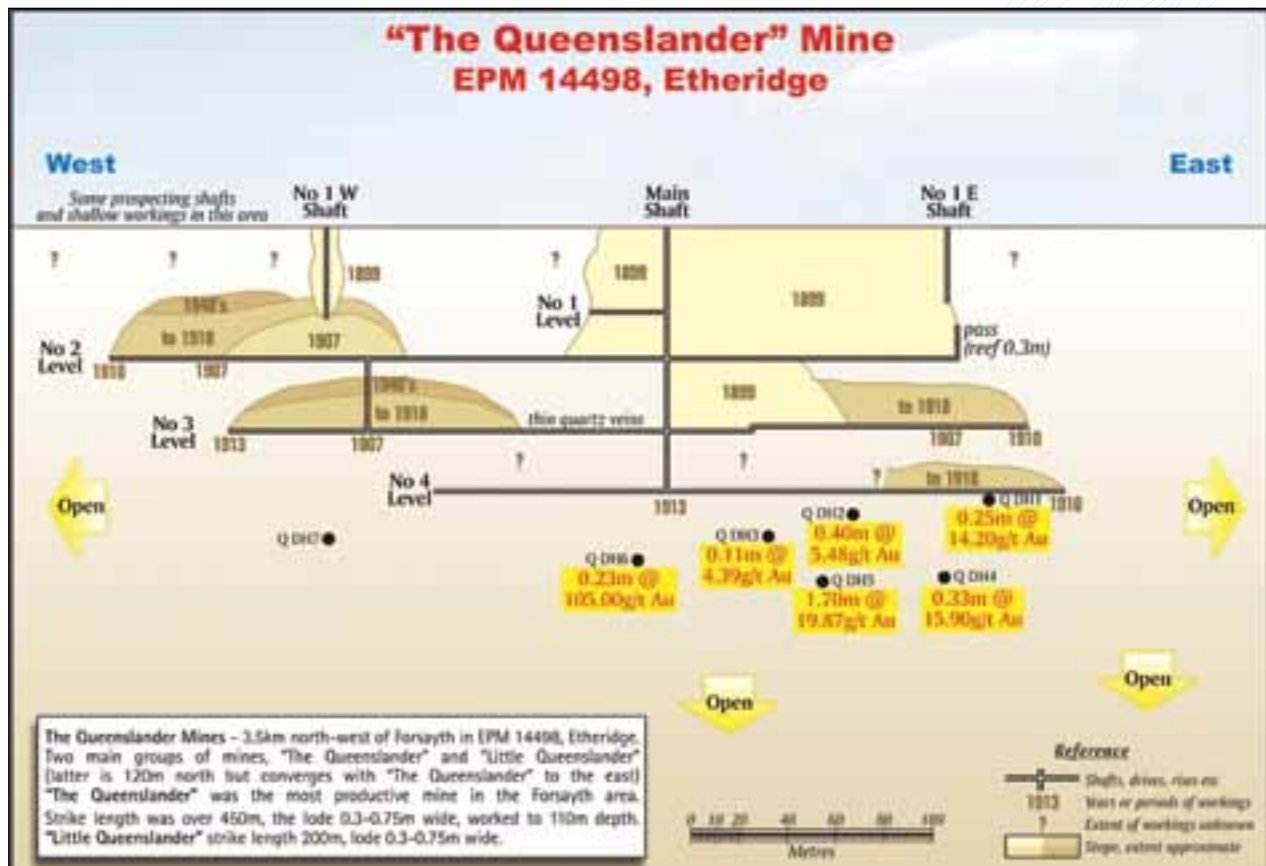
Howard-Smith Exploration Pty. Ltd. (CR12291, 1984) drilled six percussion and six diamond drill holes along 160 metres of the lode's strike. The best intersection was 5.93 g/t Au over 1.2 metres, with many other holes intersecting between 1-3 g/t Au over 1 to 2 metres. Hole LF2A (diamond) intersected 1.96 g/t Au over 4.0 metres including the 2 metres at 3.03 g/t Au. Hole LF2 (diamond) intersected 1.61 g/t Au over 7.3 metres including the 5.93 g/t Au intersection. This intersection indicates that potential exists to locate bulk open-pittable resources comprising stockworked quartz veining. Comparison between surface and drill data indicates the presence of near surface enrichment especially near Pit 1. Orjon Resources (CR19430, 1988) considered the drilling indicates a possible WNW pitch to the main auriferous zone and that the best potential lies along strike in areas not tested by drilling.

5.2.3 NEW GOSSAN

The New Gossan lode occurs near the north-west corner of ML 3417 about 500m north of the Ropewalk Lode. The prospect originally consisted of a line of historic prospecting pits. QMC collected nineteen rock chip samples which averaged 9.3 g/t Au and 10.0 g/t Ag. The south-eastern portion of the New Gossan lode was open-cut mined in 2008 for the purpose of assessing width and grade. The observed, continuously exposed, strike length is a least 250 metres.

New Gossan mineralisation





5.2.4 THE QUEENSLANDER

The Queenslander Mine and the associated Little Queenslander Mine are located 3.5km north-west of Forsayth and exist within the Forsayth granite. The Queenslander was the most productive mine in the Forsayth area between 1878 and 1915.

The Queenslander group of workings offer significant potential for further high grade mineralized veins. A total combined strike length in excess of 600m is evident to depths in excess of 100m. The potential for discovering similar mineralisation to that historically mined is excellent. In the 1980's Castlegold drilled seven diamond holes into the mine deeps below 110m level and established continuity of the ore zone to depth. The drilling suggests there is considerable potential at depth and along strike.

The Queenslander

The Queenslander and Little Queenslander intersections are an attractive target for future drill testing. No workings have been mapped to the east of the intersection points. It is feasible that the Queenslander lodes are offset by fault(s) to the east with the Nil Desperandum lode line being the eastern extension.

Castlegold in the 1980's estimated mineralisation open to depth and along strike from their drilling.

5.2.5 LIGHTNING 1, LIGHTNING 2 AND LIGHTNING FLASH

Significant tonnage of open pittable gold ore has been located by Altius in northwest trending structures that host the Lightning Flash, Lightning 1 and Lightning 2 lodes. Costeaining these lodes has delineated gold distribution.

An Intrusion-Related Gold Deposit ("IRGD") model opens possibilities for very large scale, bulk open-pittable deposits. IRGD's can develop very large mineralised breccia systems for instance Kidston, on the Big Reef Fault that extends from Kidston to Forsayth. Current exploration has identified such targets within EPM 14498.

Priority exploration targets have included:

- Alteration haloes associated with hornfelsed quartz-veined metasediments and granite
- Intersections of major structures within the principal mineralised NW-SE corridor

Sound Geological and Structural Data

The Lightning 1 structure has been traced for 340 metres within EPM 14498 and is open to the north-west. The Lightning 2 structure has been traced for 368 metres within EPM 14498.

A domal structure along the Lightning 1 lode exhibits characteristics of a potential Intrusion-Related Gold System. Sheeted/stockworked auriferous veins in hornfelsed metasediments occur in several places. IRGD's have undergone quartz-sericite alteration and are associated with intense pegmatite activity - diagnostic characteristics of a magmatic origin for mineralizing fluids. Significantly the metasediments may be preserved as hanging pendants capping the carapace of granite.

Geochemical and petrographic studies will assist in clarifying this interpretation. Geophysical surveys may locate a blind intrusive beneath these mineralized structures.

There is a possibility of a younger, mineralized stock at depth, thus significantly expanding the potential mineralizing systems within EPM 14498. No deep holes have been drilled within EPM 14498 to test genetic models for fluid sources.

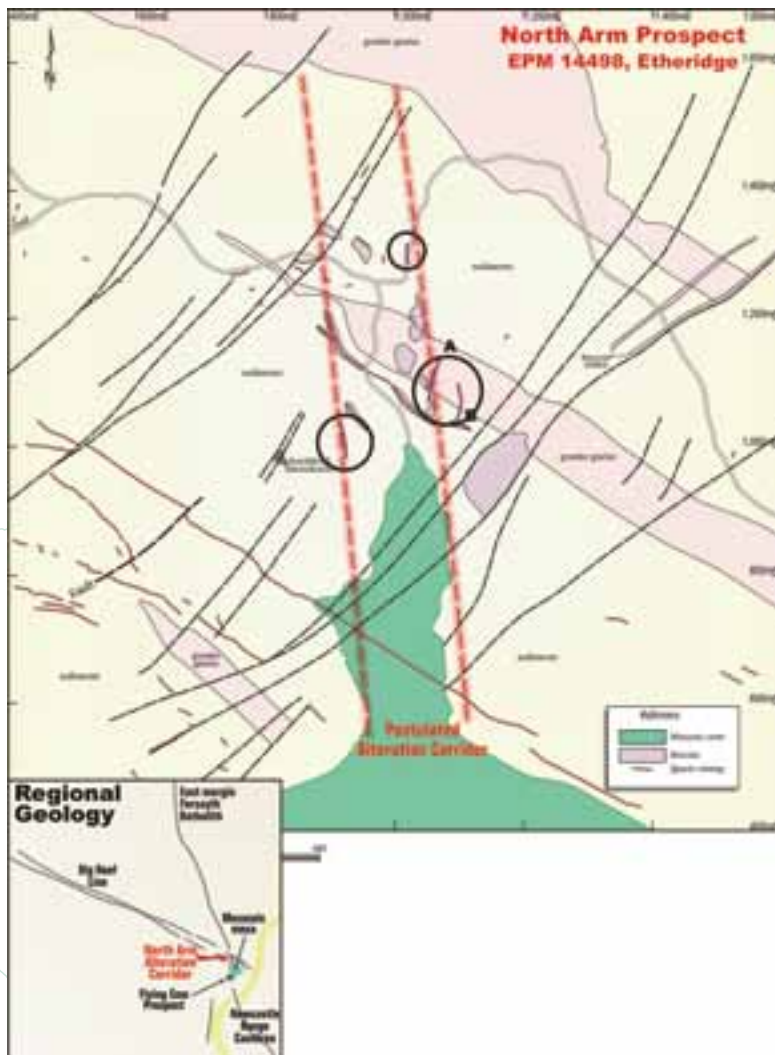
5.2.6 NORTH ARM

A range of work programs have been carried out over the North Arm prospect including geochemical soil sampling and geophysics.

Burban (CR12020) states that in both instances the prospect contains high-order anomalies considerably larger than the 700 x 200 metre area covered by the prospect grid.

Robertson Research (Australia) Pty. Ltd. was commissioned to prepare an overview of the potential of the Authority to Prospect No. 3169 and concluded the North Arm Prospect has economic potential for a bulk tonnage gold deposit amenable to open pit mining.

Co-incident alteration, geochemistry and geophysical (IP) anomalism at North Arm



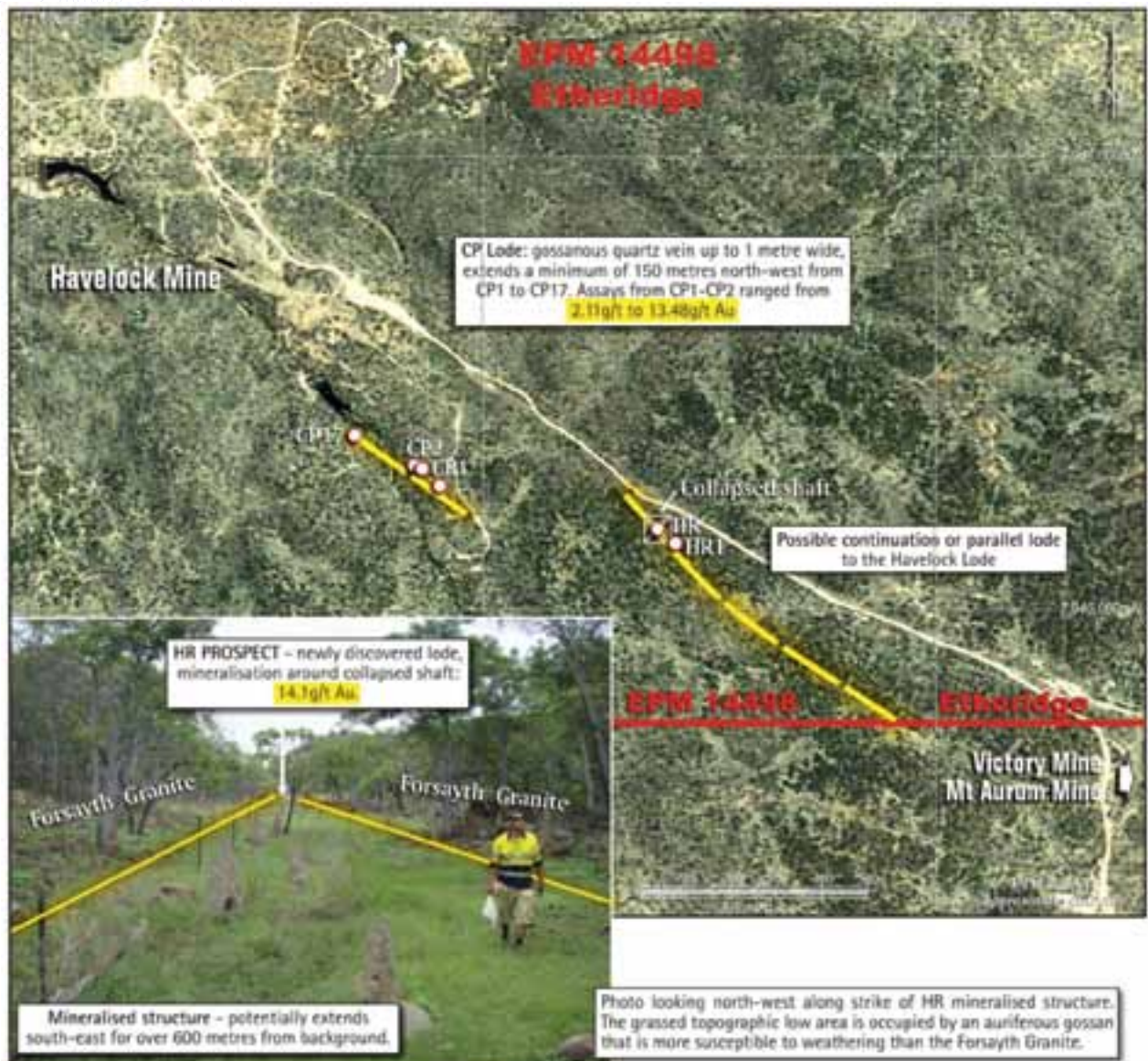
5.2.7 HR AND CARAVAN PROSPECTS

The mineralized HR lode is evident over a gold bearing gossan within the Forsayth Granite. The HR structure can be traced for 600 metres within EPM 14498. A composite grab sample of ore from around the collapsed 'HR' shaft assayed 14.06 g/t Au.

The north-west trend parallels the dominant gold bearing structures. The HR lode may be an extension or parallel offset of the Havelock Mine. Altius will conduct costeaning and sampling programs in 2011 to determine width and grade along strike.

The nearby Caravan Park lode is a possible south-eastern extension of the Havelock Mine structure. The Caravan Park lode has been traced in outcrops and pits over a strike length of 250 metres. The true width is unknown but mineralized vein samples from pits were up to 0.7 metres wide. The reef consists of white quartz, extensively Fe-stained and fractured, occasionally brecciated and is gossanous in places. Assays of three samples of the reef collected by Altius (2010) ranged from 2.11 to 13.48 g/t Au.

Newly discovered HR Prospect



5.2.8 NIL DESPERANDUM

The Nil Desperandum mine and line of lode occurs some 2km north of Forsayth and was mined intermittently between 1878 and 1942, by means of open cut and underground workings accessed by shafts and pits.

Culpeper et al. (1997) report an approximate strike length of workings of 600m over widths up to 3-4m and to a depth of 152.5m. The lode strikes approximately 90 degrees and dips steeply to the north. The average mined width was 2m. The lode shear zone can be traced for 2km east of the Delaney River and is marked by limonitic gossanous quartz outcrop, pits and shafts. The reef is reported to be heavily mineralized with sulphides.

Culpeper et al. state that above 85m depth the average grade was 53.7 g/t Au. Between the 85m and 116m levels the average grade was 30.4 g/t Au.

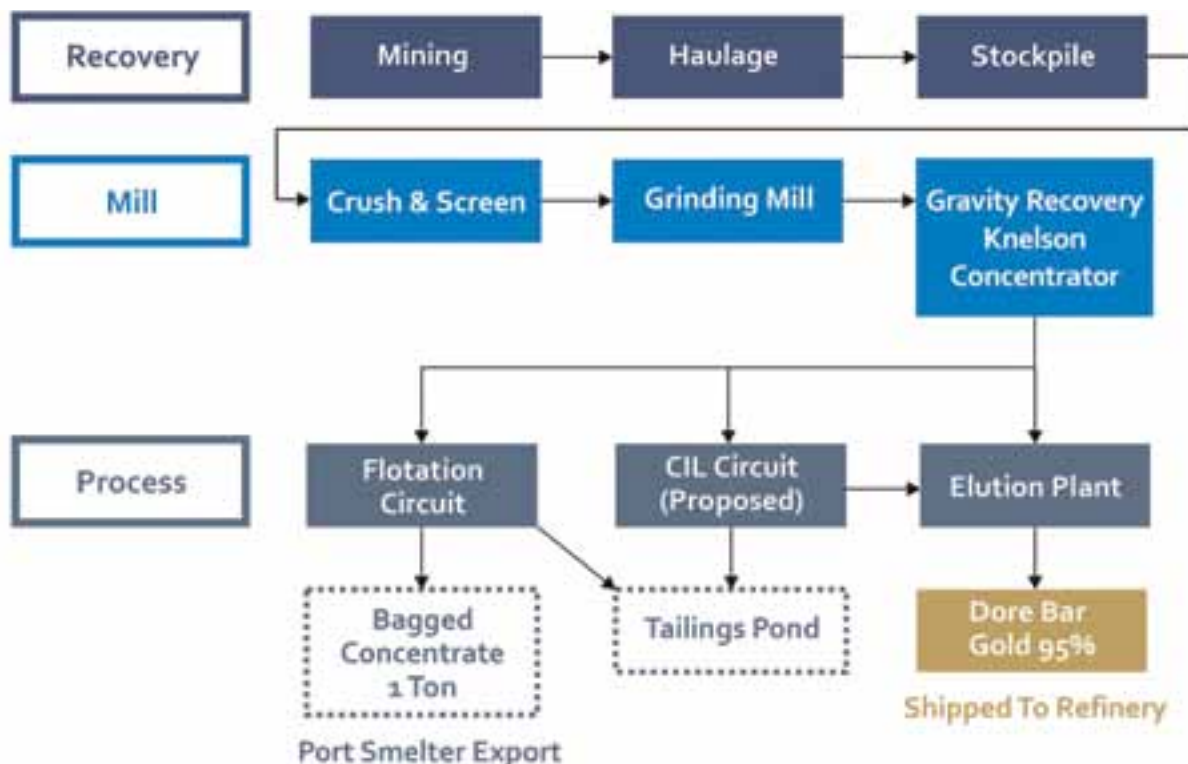
The line of lode is interpreted by Union Mining to extend to the east through the Pinnacles workings suggesting a strike length in excess of three kilometres.

In 1993 Union Mining collected 2 composite dump samples, excavated 11 trenches and drilled 5 holes. Two holes returned significant assays, viz. ND1: 6m averaging 9.14 g/t Au from 7 to 13m, including 2m averaging 18.87 g/t Au from 7 to 9m, and ND2: 2m averaging 1.84 g/t Au from 9 to 11m.

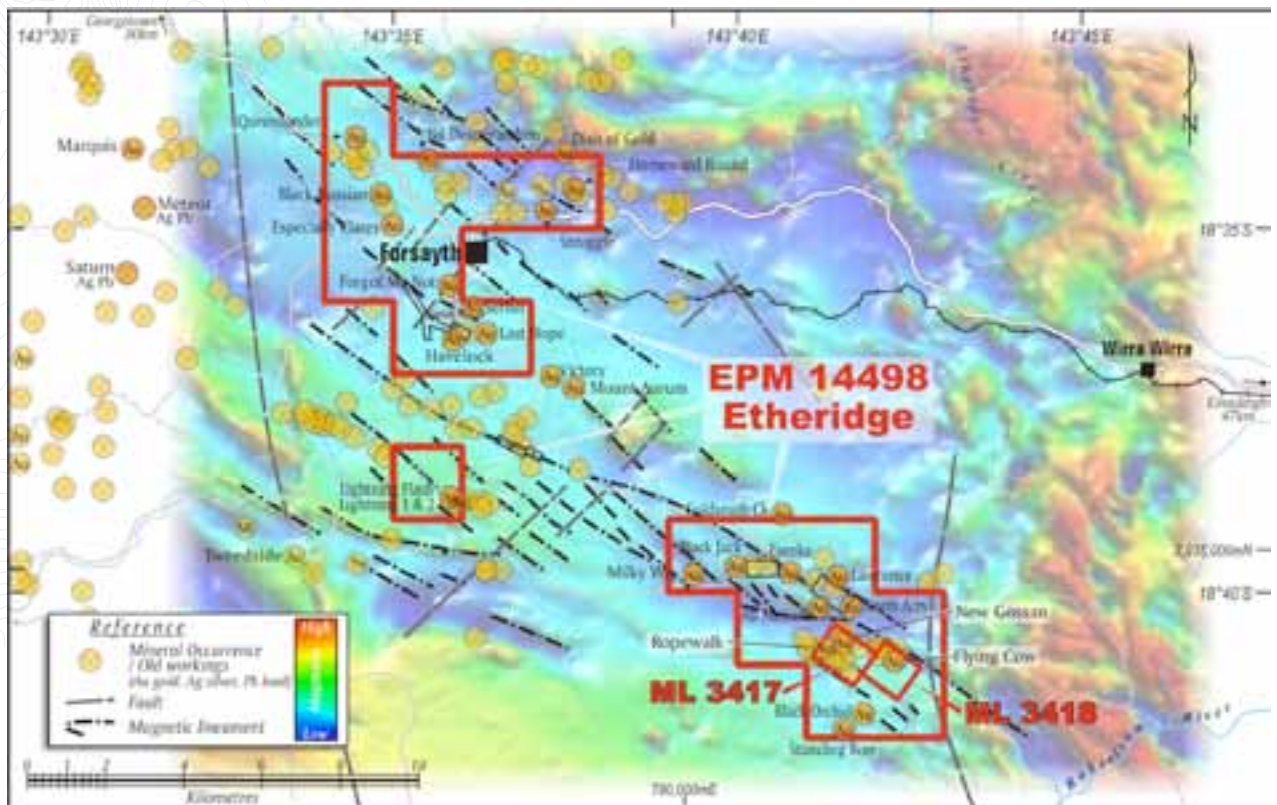
The Nil Desperandum lode holds potential for the discovery of mineralisation over three kilometres of shear zone equivalent to, or greater than the historic production. The average Nil Desperandum mined grade was higher than the Queenslander and the average mining width (2m) was considerably greater. This prospect will be given a high priority in future exploration work.

5.3 PROCESSING PLANT

Flow diagram of Altius' Mill



Existing government magnetics showing the Big Reef Fault (BRF)



Disclaimer:

The information in this section relates to exploration results and is based on information compiled by Mr Robert Marshall McLennan, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr McLennan has sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr McLennan consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.



5.3.1 AIRBORNE GEOPHYSICS

A low level/high resolution aeromagnetic and radiometric survey is planned post IPO.



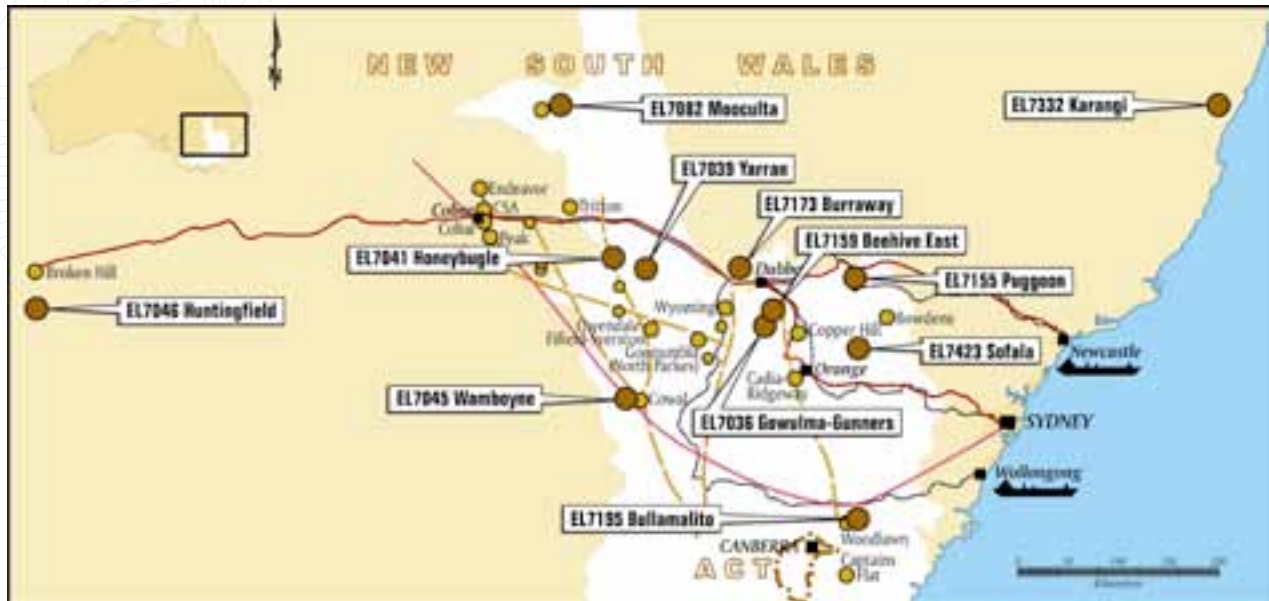
6.1 SUMMARY

Altius' growth strategy comprises a balanced mix of gold production and exploration for gold and other minerals. Whilst the Company has a strong gold focus it is well positioned to take advantage of any changes in commodity demand due to its spread of tenements covering a number of various geological settings with prospectivity for various commodities.

Altius holds twelve Exploration Licences (EL) NSW and one Exploration Permit (EPM) enclosing two Mining Leases QLD. These tenements have been carefully acquired over several years.

Exploration continues for rare earth elements, large Northparkes-Cadia type porphyry gold-copper targets, platinum/nickel/cobalt/gold/scandium targets in layered ultrabasics and for base metal resources north of Woodlawn/Currawang, NSW.

Altius Prospects and Resources in NSW



6.2.1 SOFALA

Location:
Sofala, NSW

Licence No:
EL7423

Size:
155 Sq Km

Resources:
Gold

Targets

- Wattle Flat magnetic anomaly, possible Cadia-Ridgeway type system feeding high-grade gold mineralisation near surface.
- Spring Gully large low grade deposit 1.0-4.6 Mt @ 1-1.75g/t Au
- The Queenslander deposit 0.7 to 1 Mt @ 4.3-4.9g/t Au

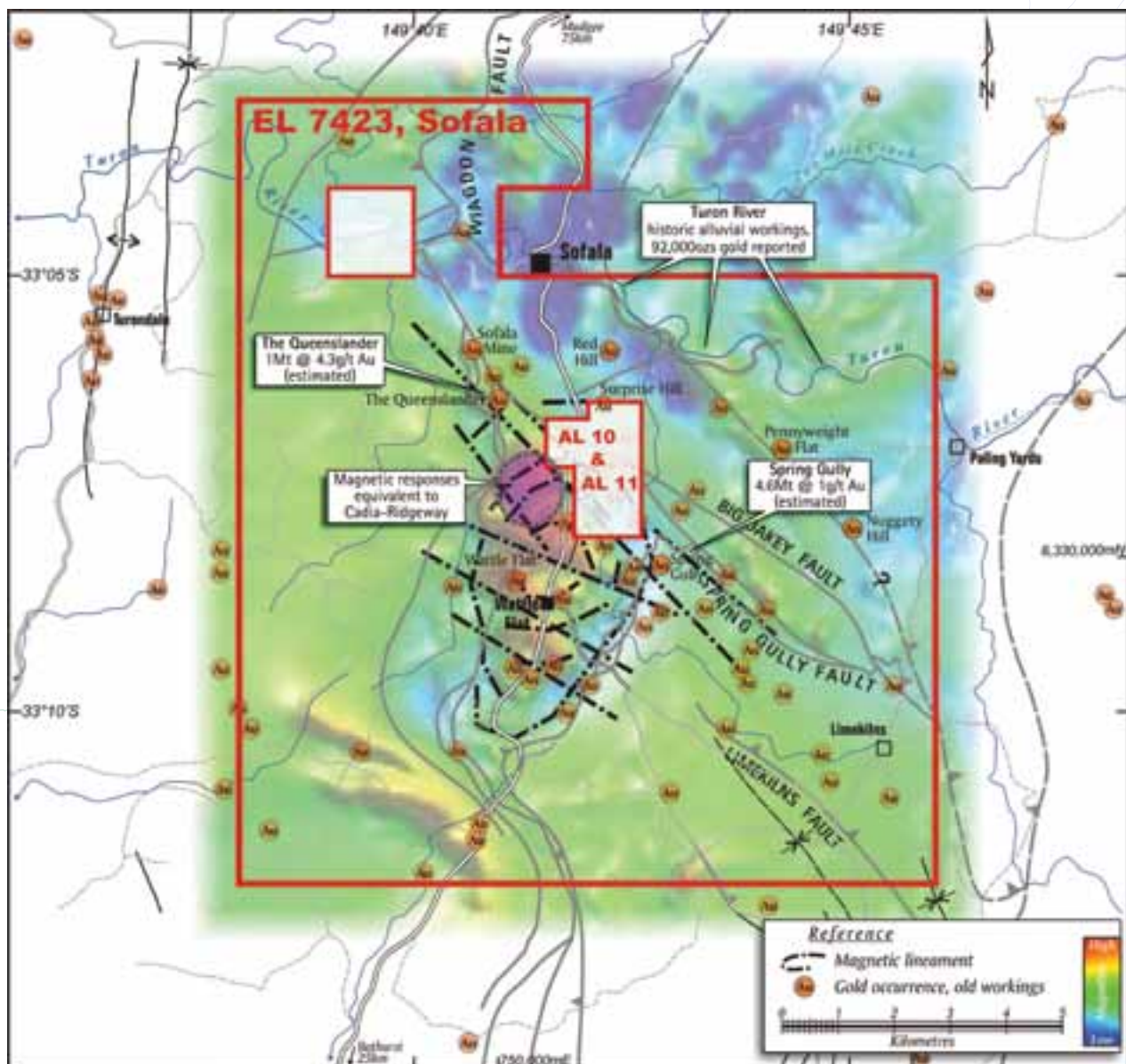
Company Goals

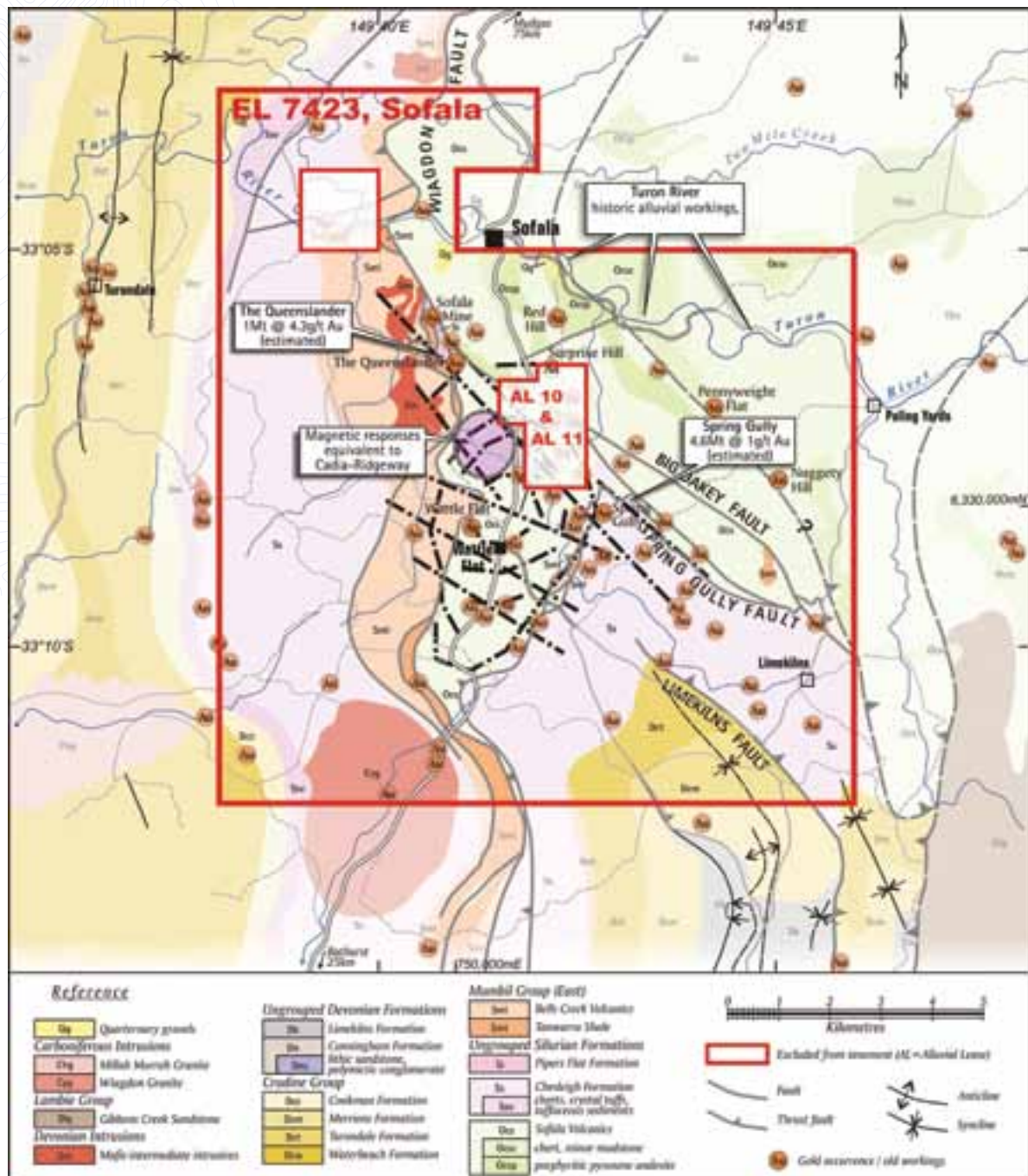
Capital Raising	Year 1	Year 2
\$8 million	47,429	54,570
\$12 million	47,429	54,570

- Determine the extent of the monzonites present and define the intrusive/potential porphyry mineralisation previously described.
- Planned sampling, including drilling, to start in 2011.
- Applications for Mining Leases to be lodged with the necessary environmental approvals to be sought by end 2011.

Location Rationale

Tenement Map of Sofala with Highlights





Wattle Flat Historical Gold Mining Area: 526 kg total of recorded hard rock gold production of which the principal contributors were Surface Hill (Big Oakey Mining Company) - 208 kg, the Queenslander - 115 kg, and Solitary Reef - 118 kg. In addition, gold has been won from extensive alluvial workings in the Turon River and in the creeks draining the hard rock mineralized areas.

Possible Cadia-type system: Magnetic data over the Wattle Flat area is similar to Cadia-Ridgeway and Northparkes

Spring Gully with large gold anomaly: Spring Gully was discovered by RGC Exploration using regional drainage geochemistry and following this up with a soil survey that defined a large gold anomaly >0.05g/t Au. The area was subsequently tested by 6 diamond holes and 63 RC holes.

Queenslander Gold Estimates: In the mine area, a thick mineralized zone in the diorite returned assays of between 3.4 and 5.9 g/t Au. It has been intersected down dip from the mine in QDD002 and further down to a depth of 130m below surface in QXD001. Northwards, the mineralized horizon is found in QDD003 as a 1.34m intersection (1.2 m. true) returning 52.2g/t Au. The current interpretation suggests that this is close to the northerly limit of the mineralized dyke.

High Prospect Area: Whalans Hill, Caledonian and Pennyweight Ridge typically revealed mineralized zones between 5m and 30m (true) width returning 0.2 - 0.7g/t Au containing veins of 1m width and occasionally 2m, carrying between 1 and 10g/t Au.

6.2.2 KARANGI

Location:
Karangi, NSW

Licence No:
EL7332

Size:
243 Sq Km

Resources:
Gold, Copper-Gold

Targets

- High grade gold structures.
- Quartz vein stockworks with coincident geochemistry and geophysical anomalies.
- Copper-Gold at Mt Browne.

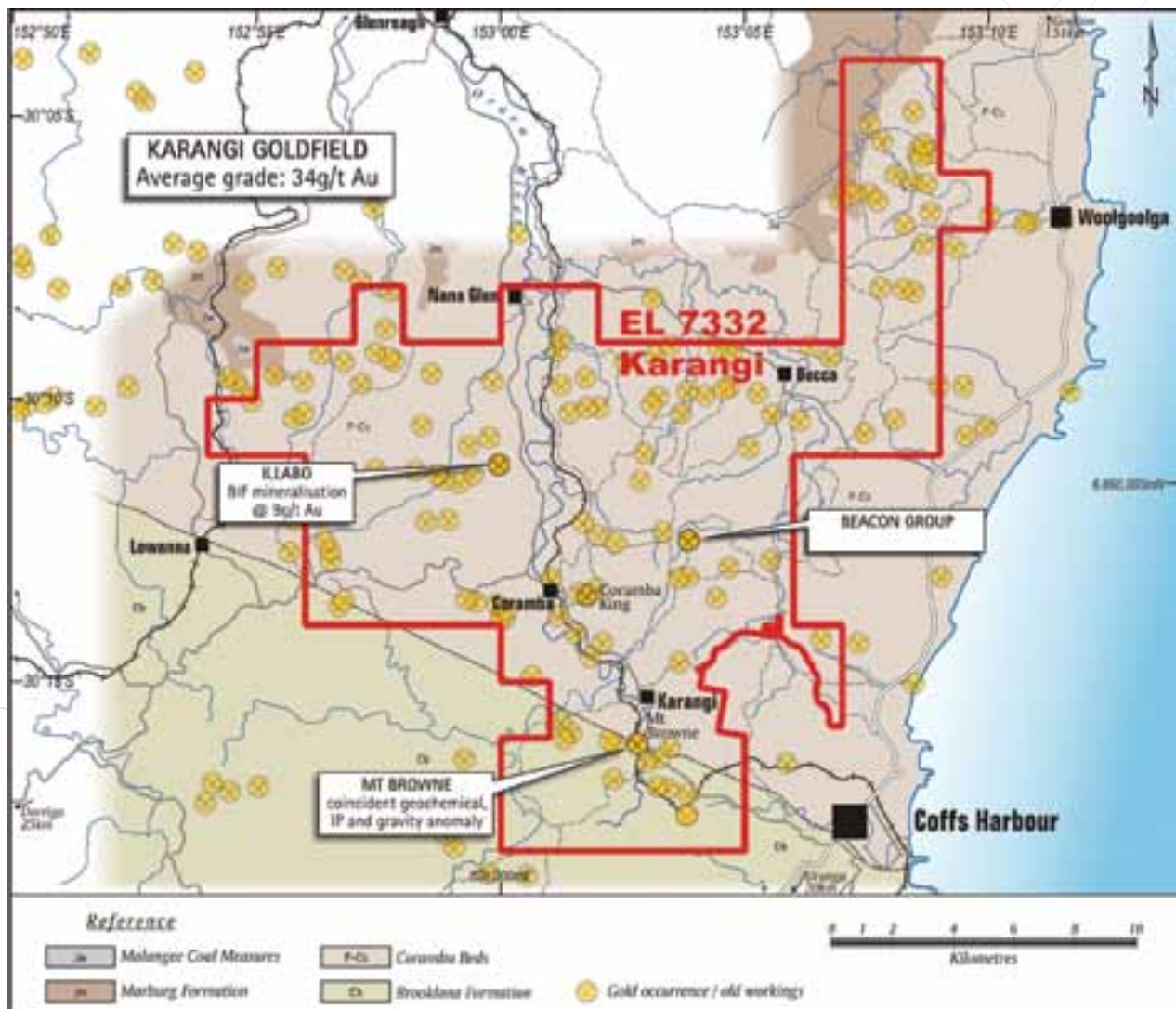
Company Goals

Capital Raising	Year 1	Year 2
\$8 million	63,121	75,599
\$12 million	63,121	75,599

- Planned sampling, including drilling, to start in 2011.
- Lodge Mining Lease applications and seek necessary environmental approvals by end 2011.

Location Rationale

Tenement Map of Karangi with Highlights



Historic Gold Production: The optimum grade in the 1880's up to 1914 for the area is recorded as 34g/t gold recovered, not easy to achieve when the stamp battery system recovery of gold was as low as 50%.

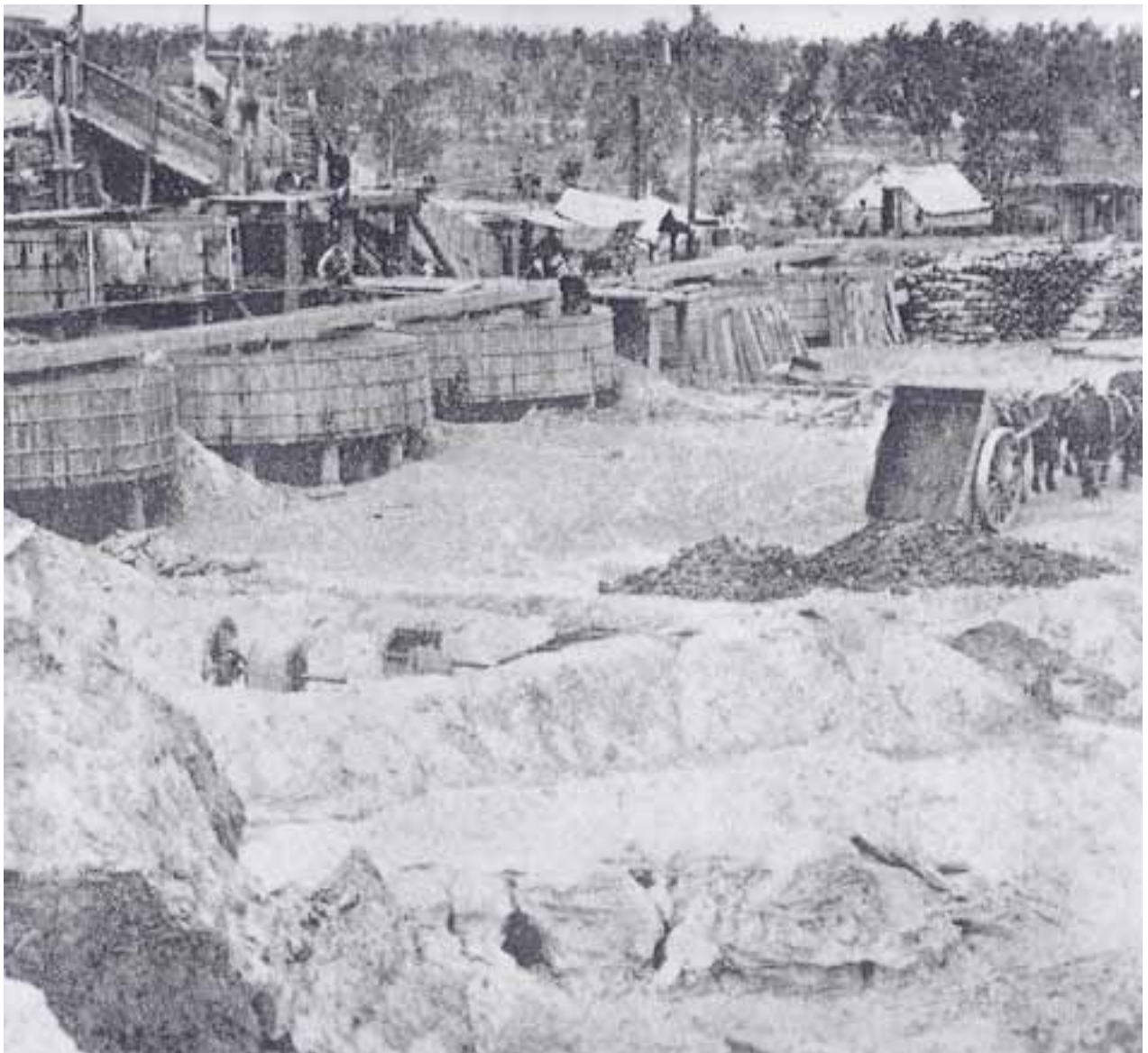
Several additional Gold Targets: Gold came from the alluvial deposits formed in the drainages off the mines. At least two of the alluvial deposits were classified as having dredging potential

Mt Browne Mine: Early gold mining occurred at Mt Browne, which was worked on three separate occasions initially as a gold mine but later also produced copper. It closed in 1975. Production records from this time show ore grades of 12.2% Cu, and 4.3g/t Au in 1907, and 8.4% Cu and 2.7g/t Au in 1972-73.

Illabo Mine: There is a known quartz-magnetite body with gold grades reported as 8 to 12g/t. From the underground workings this body is 9m x 91m horizontal by 61m deep. The horizontal and vertical extent of this quartz-magnetite body has not been tested by ground surveys or drilling. Coincident with the Illabo Mine there is a magnetic anomaly.

Strong Anomaly Data: There is a coincident IP high chargeable zone and gravity anomaly. This has elevated copper soil geochemical values. The gravity data defined two targets in the area that were not tested. Both these have supporting IP or geochemical anomalies. Both these gravity highs will be tested.

Additional Research to Realise Tenement Potential: The Beacon Group of mines warrant a ground magnetic and soil survey to map continuations of the formations hosting the gold mineralisation. From these surveys drilling targets will be defined.



6.2.3 HUNTINGFIELD

Location:
Huntingfield, NSW

Licence No:
EL7046

Size:
659 Sq Km

Resources:
Iron Pisolites

Targets

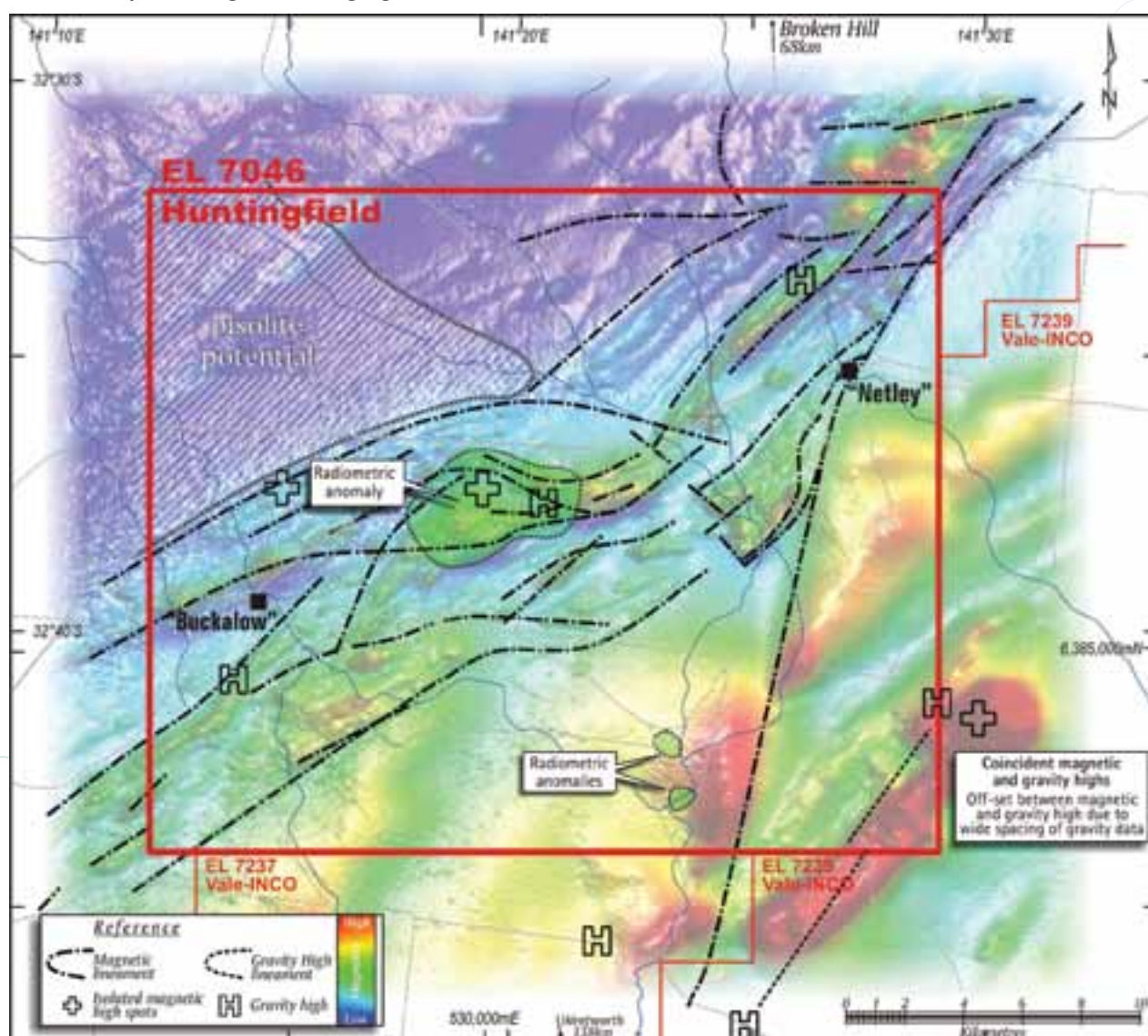
- Determine iron resources in identified pisolite channel deposits
- Explore nickel sulphides on Kars ultrabasic belt and porphyry copper-gold anomalies.

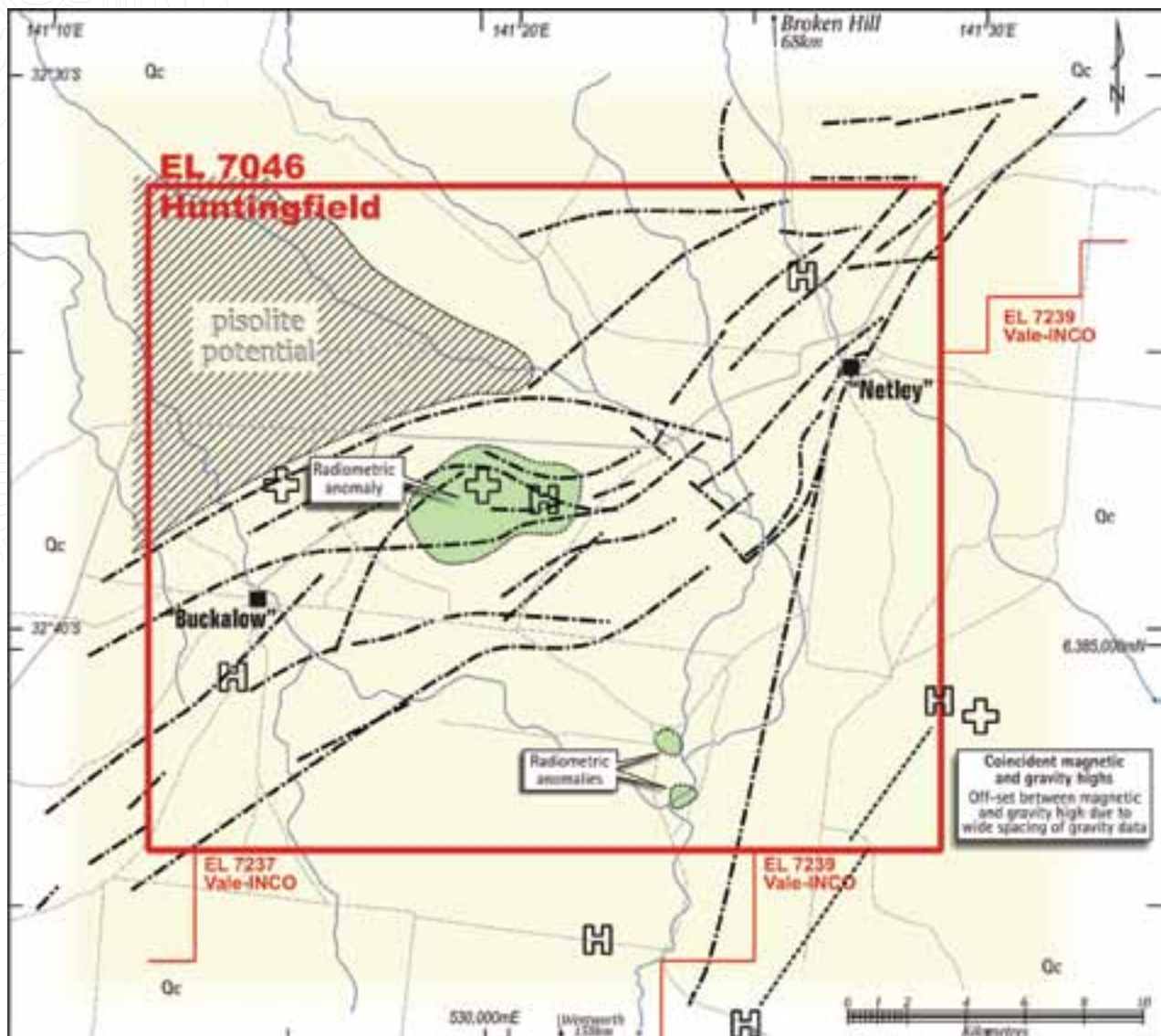
Company Goals

Capital Raising	Year 1	Year 2
\$8 million	231,686	236,314
\$12 million	231,686	236,314

- Altius' recently flown high resolution aeromagnetic/radiometric survey defined the iron and extent of nickel/ultrabasics
- Complete beneficiation and mining feasibility studies by end 2011 whilst concurrently assessing demand and potential supply scenarios

Tenement Map of Huntingfield with Highlights





Location Rationale

Large Area: The Huntingfield tenement of 659km² is on the edge of the Murray Basin and south of Broken Hill, one of the world's largest and most profitable mining fields that spawned BHP-Billiton.

Proximity to Prime Mining Locations: It is located directly east of Radium Hill and Honeymoon Uranium projects in South Australia, and was selected after an extensive review of geophysics to find suitable sites for Group 1 minerals.

Competitors Acquire Nearby Tenement: Inco Mines Ltd – Vale applied for ground adjacent subsequent to Altius acquisition. The style of mineralisation in the Kars ultrabasic belt within the south east corner of the Altius tenement continues into the adjacent tenements.

Broad Range of Mineralisation Styles: The proximity to Broken Hill deposits, and more recent nickel, iron ore and base metal discoveries in western NSW, makes this a primary target. The complexity of the basement based on the magnetic data allows for a wide range of mineral styles.

Significant Mix of Anomalies: The tenement was originally taken up because of a large radiometric anomaly plus the proximity to major South Australian mines. A recent departmental study has found areas that contain nickel under shallow cover.

6.2.4 BEEHIVE EAST

Location:
Beehive East, NSW

Licence No:
EL7159

Size:
138 Sq Km

Resources:
Cu – Au, Zr, Rare
Earth Elements

Targets

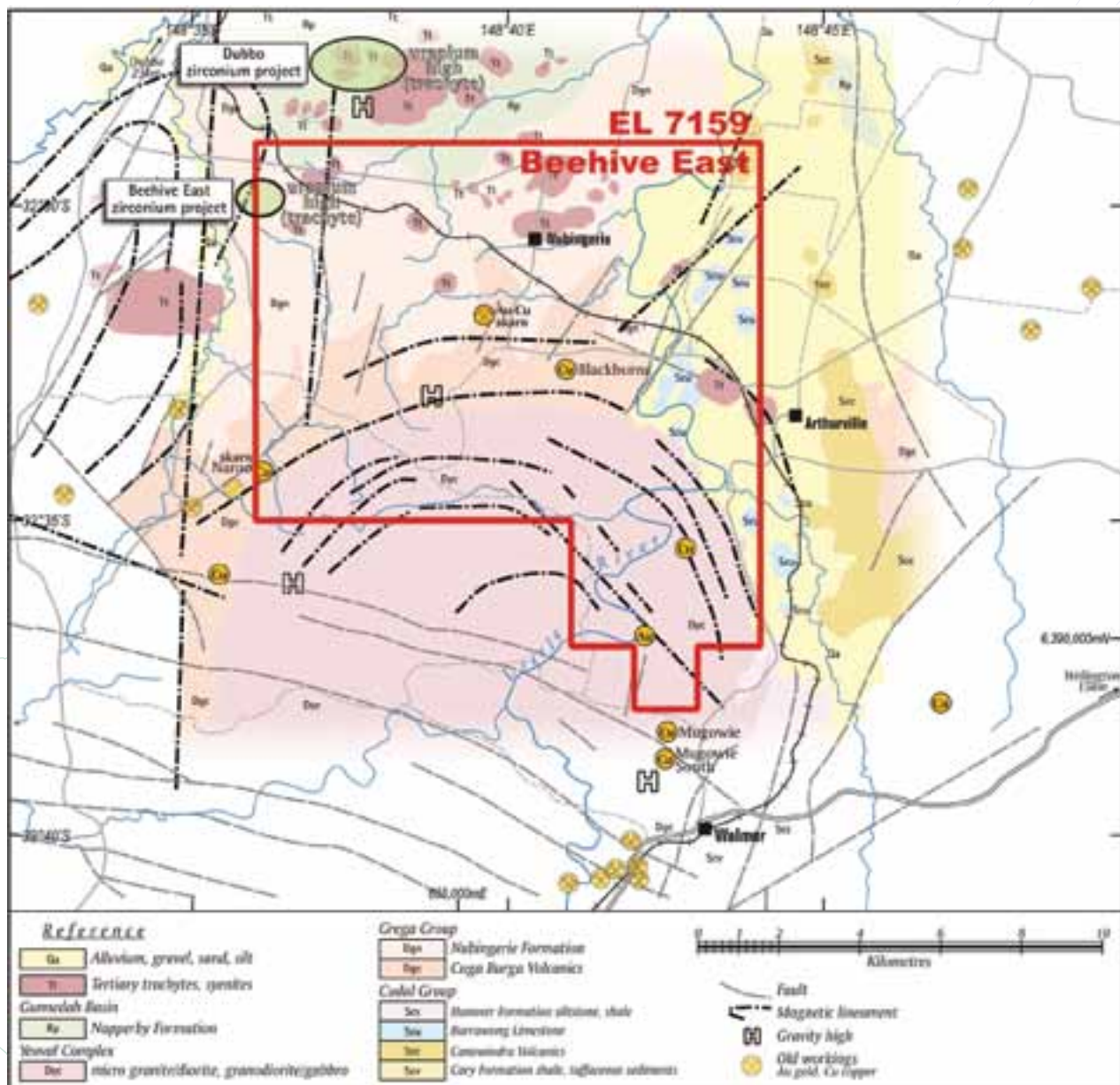
- Proximal to Toongi Zr, REE deposit
- Explore Zr and REE Resources
- Porphyry copper-gold targets exist

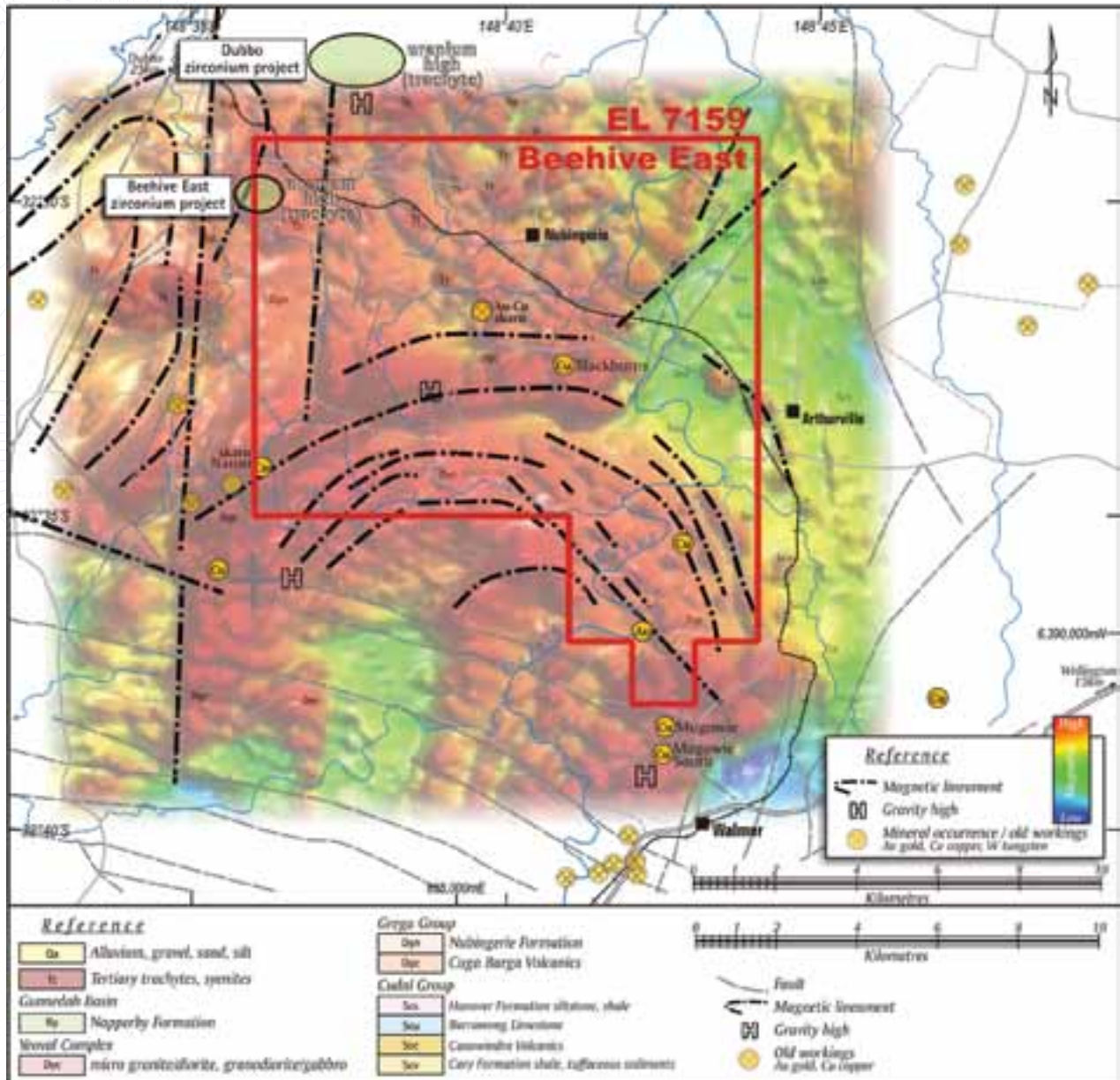
Company Goals

Capital Raising	Year 1	Year 2
\$8 million	47,050	47,950
\$12 million	47,050	47,950

- Focus on defining standalone or satellite resource to the existing Toongi Zr, REE deposit
- Commence sampling and drilling of the 'Toongi Zr, REE' style mineralisation and trachytes

Tenement Map of Beehive East with Highlights





Location Rationale

Proximity to other Gold Deposits: The discovery of the Wyoming gold deposit west of Beehive East has demonstrated the potential for larger lode-type mineralisation hosted within the same Ordovician volcanic stratigraphy. Mineralisation at Wyoming is in contrast with that at Peak Hill located 12 km to the south which is high sulphidation epithermal style. Large coincident magnetic/gravimetric anomalies.

Resources found in adjoining tenement: To the immediate north of the tenement, Alkane (EL5548) have recently announced a large deposit within trachytes containing rare earth oxides and a measured resource of 35.7 Mt @ 1.96% ZrO₂, 0.04% HfO₂, 0.46% Nb₂O₅, 0.03% Ta₂O₅, 0.14% Y₂O₃, 0.745% Total REO, 0.014% U₃O₈. This deposit shows in the radiometric data (very strong uranium response), to the north of the tenement, as does the trachytes on EL7159.

Beehive East tenement exhibiting same indicators: Similar radiometric responses have been interpreted within the Beehive East tenement.

Further research needed to map full potential: The tenement warrants detailed mapping and prioritizing geophysical/geochemical targets. The regional radiometric data defined a coincident uranium and thorium anomaly which has a similar response to that of the adjacent Toongi zirconium and rare earth deposits.

6.2.5 GOWULMA-GUNNERS

Location:
Gowulma-Gunners, NSW

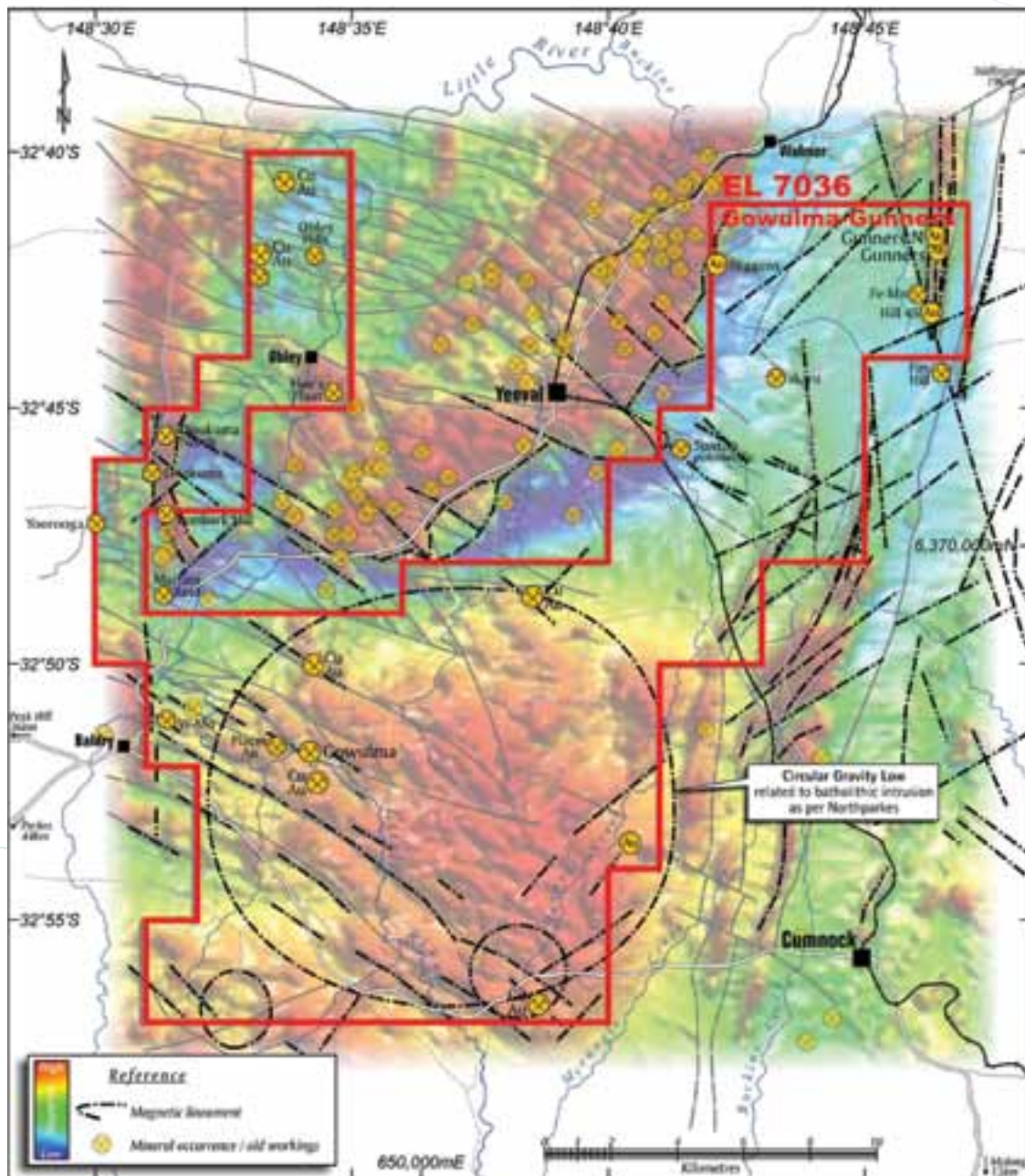
Licence No:
EL7036

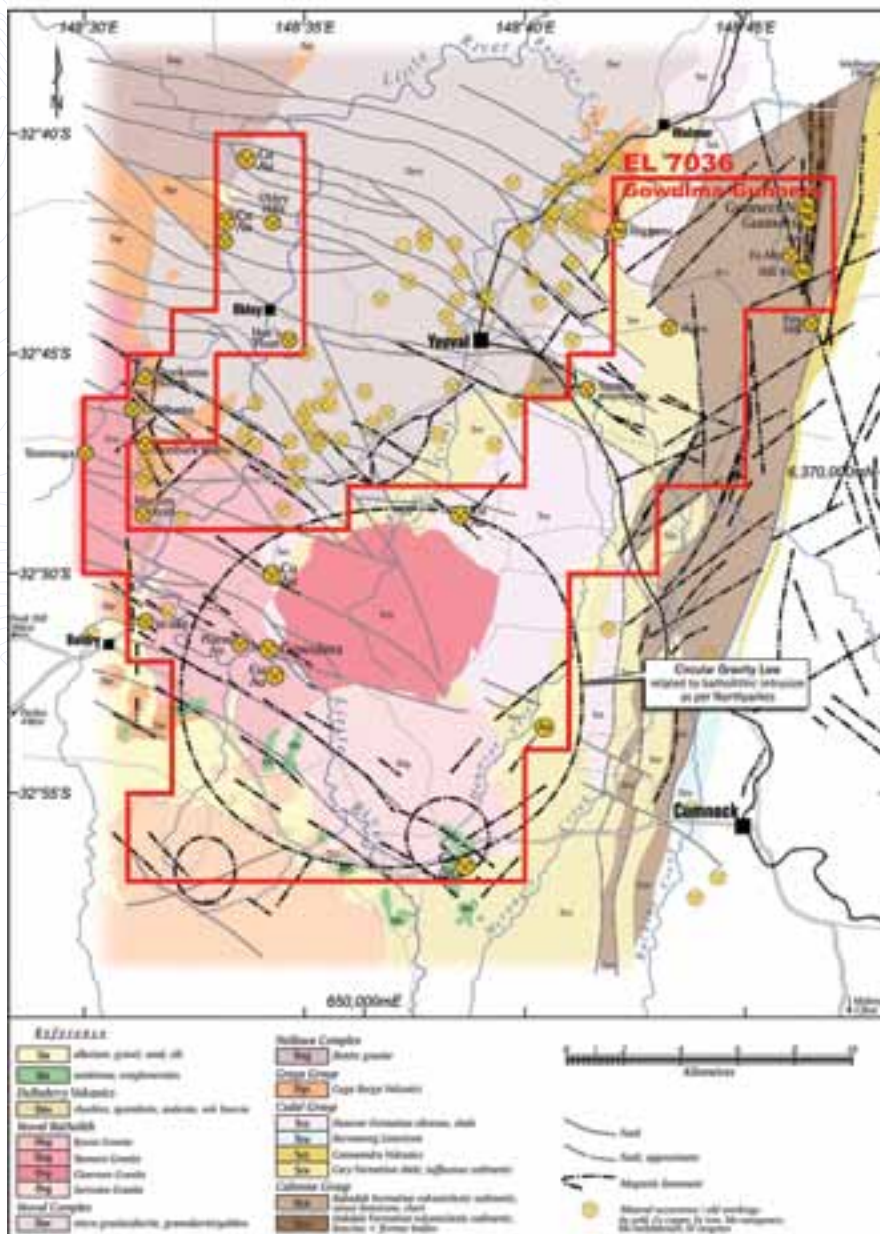
Size:
134 Sq Km

Resources:
Copper-Gold

Targets	Company Goals		
- Porphyry copper-gold mineralisation, in particular where coincident circular magnetic and gravity anomalies exist at major structural intersections. - High grade resources under and along strike of gold mines eg. Gunners Mine 7 oz/t gold in mullock	Capital Raising	Year 1	Year 2
	\$8 million	162,401	165,599
	\$12 million	162,401	165,599
Complete planned high resolution geophysics and drill defined anomalies.			

Tenement Map of Gowulma-Gunners with Highlights





Location Rationale

Prime Mining Location: The tenement of 402 sq.km is located in the central part of the Lachlan Fold Belt. The Yeoval District, with about 60 known copper-gold mineral workings (old mines), is well known and the tenement has anomalies similar to the Northparkes Mine area.

Strong Gold Indicators: The most common type of known mineralisation is copper sulphide associated with magnetite skarns; gold is commonly reported with copper and in most cases is contained in copper sulphide, indicating that a low cost gold extraction method such as used at Cadia-Ridgeway and Northparkes is likely to be effective.

Numerous Historic Workings On Tenement: Some sixty workings are known in the district, and a number of these occur within the tenement. These include:

Dilga Creek (Gowulma) Prospect; an area where copper (Ag/Au) and quartz veining has been worked by seven shallow shafts and an open cut.

Gunners Dam (Southern Cross and Corkers) Prospect. Opened in 1890.

Doonkuma North (copper vein).

Doonkuma Prospect (copper-gold).

Strong Geophysical & Structural Data: There is a distinctive magnetic and radiometric contact between the Yeoval Granodiorite and Obley Complex referred to as the Obley-Nallawa “bridge”. The bridge includes the Doonkuma North Prospects (copper vein) and the Doonkuma Prospect (intrusive related copper-gold).

6.2.6 WAMBOYNE

Location:
Wamboyne, NSW

Licence No:
EL7045

Size:
275 Sq Km

Resources:
Gold, Copper-Gold, Iron

Targets

- Cowal type gold deposits
- Locate porphyry copper-gold mineralisation within favourable geophysical and structural locations associated with the Gilmore Suture.
- Determine Iron resources in identified pisolite channel deposits.
- Drill Olafs base/precious metal prospect. Follow up E.M. targets in the northwest.

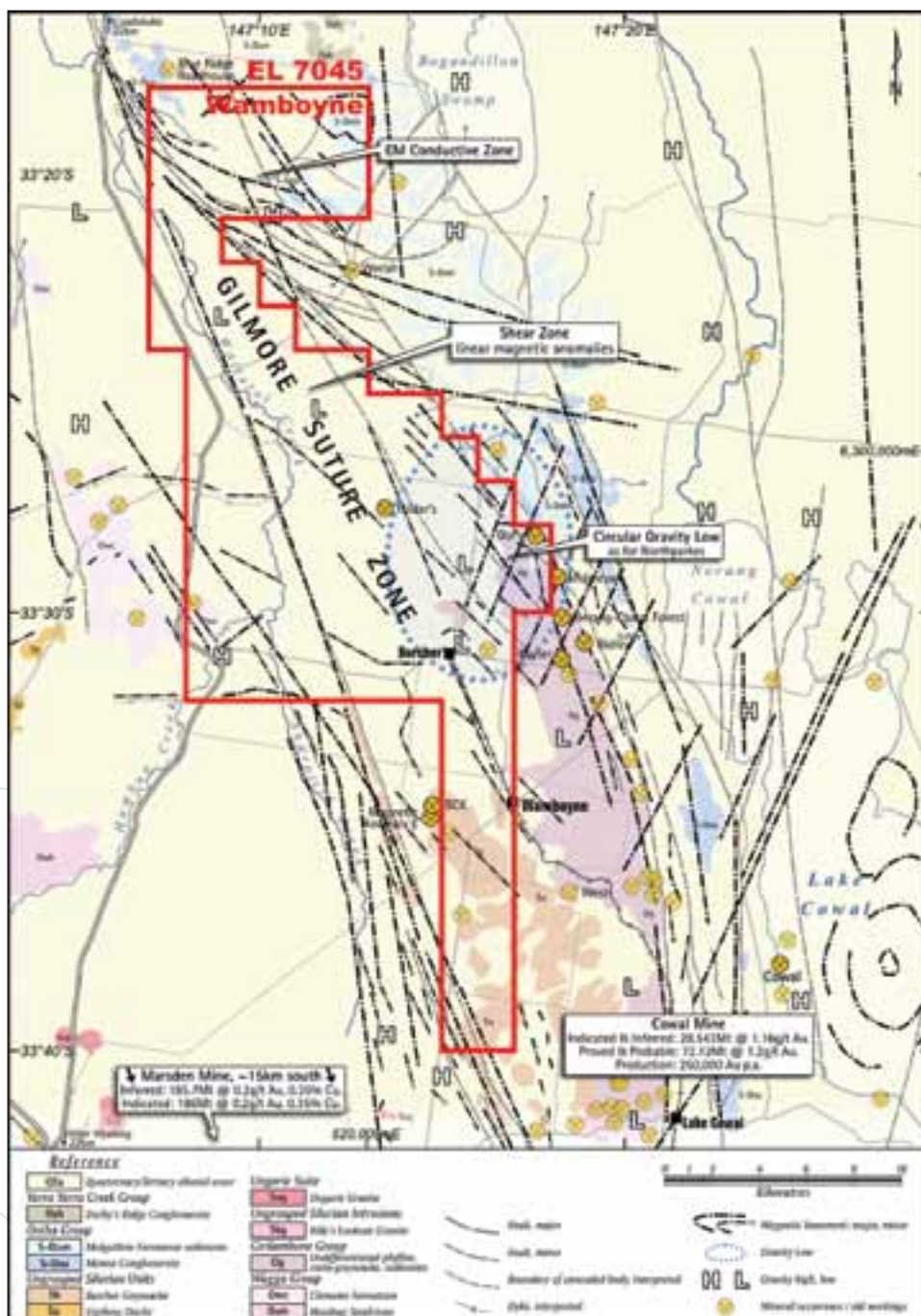
Company Goals

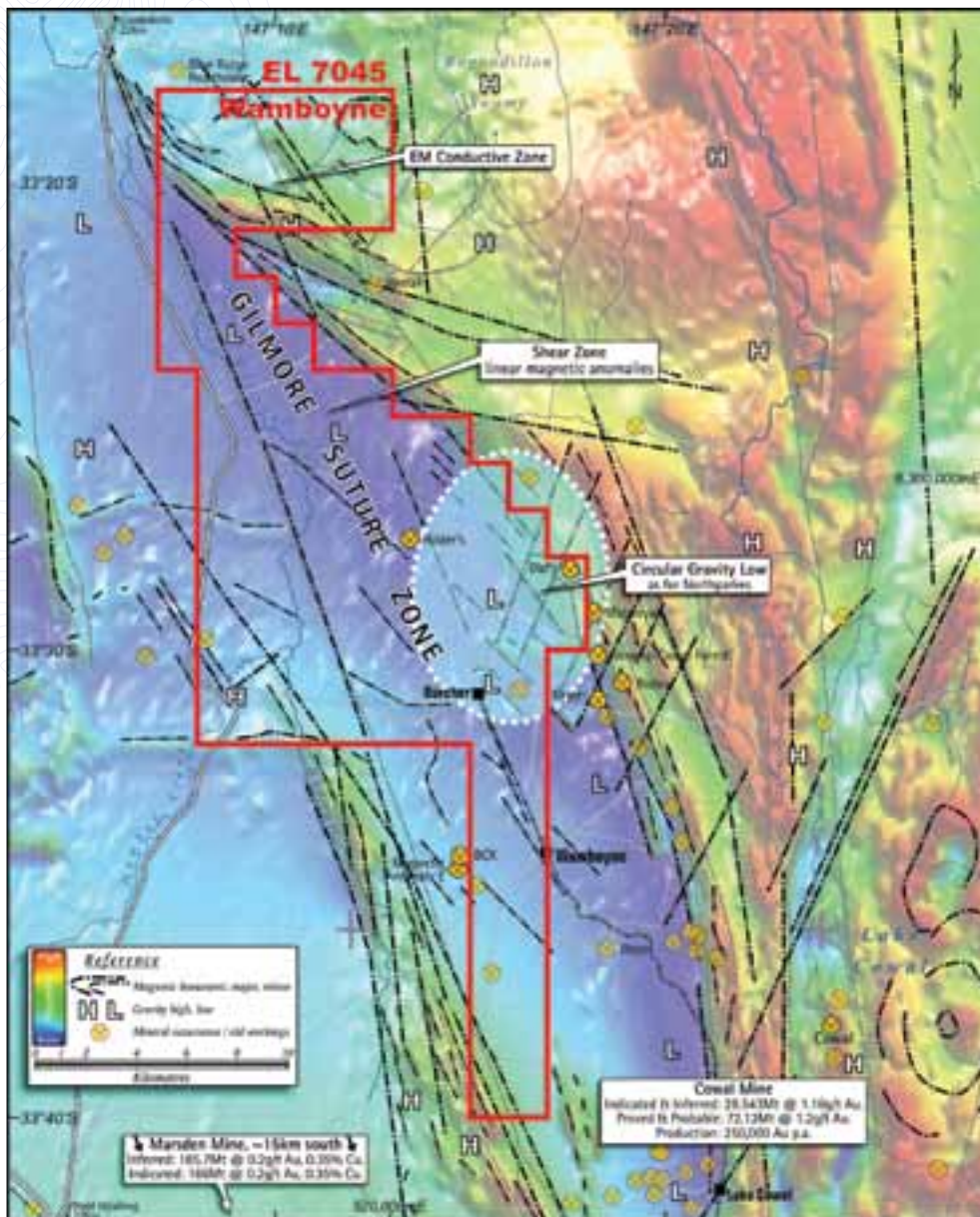
Capital Raising	Year 1	Year 2
\$8 million	138,569	141,431
\$12 million	138,569	141,431

- Altius' recently flown high resolution aeromagnetic/radiometric survey defined the iron mineralisation and further targets for ground follow up.
- Complete beneficiation and mining feasibility studies by end 2011 whilst concurrently assessing demand and potential supply scenarios

Location Rationale

Tenement Map of Wamboyne with Highlights





Proximity to Existing Gold Locations: The Wamboyno tenement covers approximately 50 km of the Gilmore Suture, a major gold bearing structure in NSW. There are a number of old gold and base metal workings warranting detailed investigation. EL7045 shares eastern perimeter with Cowal Gold Mine tenement that produces 250,000 oz of gold a year.

Numerous Exploration Targets: These include:

- Untested magnetic low Gidginbung-type epithermal gold in andesite (high sulphidation gold) and magnetic high signature Peak type deposit
- Cobalt polymetallic deposits and quartz-carbonate gold associations that have little surface expression.
- Propylitically altered andesites that are the host rock target to much gold mineralisation.

Reports of possible mineral deposits: Fractures where mineral deposition, such as Monza and Gidginbung occur have already been reported to the south of the tenement on the Gilmore Suture. The most prospective portion of this structure is included in the licence area.

Possible Gold Deposits: The Gilmore Suture and splays are likely to contain mineralisation in the style of Cowal Gold Mine.

Wamboyno anomalies: A circular gravity low lies within the tenement similar to that at Northparkes that overlies the cluster of porphyry gold-copper ore bodies and surroundings. A similar circular diameter gravity low also underlies Escondida porphyry copper-gold district in Chile, thus establishing a geological & geophysical correlation between Chilean and NSW porphyry copper provinces.

6.2.7 MOOCULTA

Location:
Mooculta, NSW

Licence No:
EL7082

Size:
188 Sq Km

Resources:
Copper-Gold

Targets

- Follow-up delineated base metal prospects
- Locate porphyry copper-gold and related base metal mineralisation as recently described by the NSW Geological Survey in geological settings similar to Cadia.

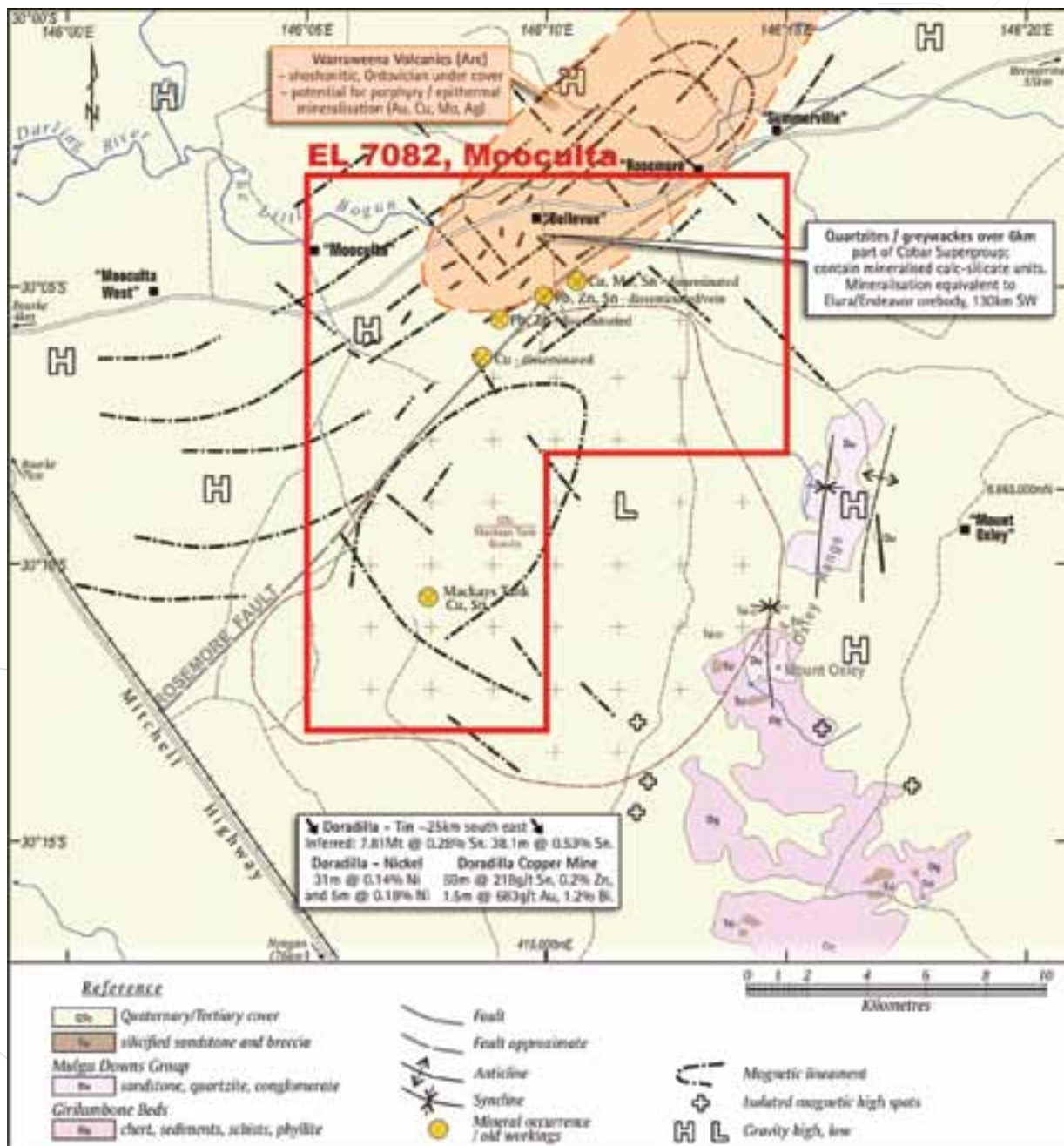
Company Goals

Capital Raising	Year 1	Year 2
\$8 million	103,927	106,073
\$12 million	103,927	106,073

- Porphyry deposits comparable to the Northparkes and Cadia-Ridgeway deposits.
- Drill out existing base metal (high-level porphyry environments) and potentially deeper Cu-Au mineralisation.

Location Rationale

Tenement Map of Mooculta with Highlights



6.2.8 BURRAWAY

Location:
Burraway, NSW

Licence No:
EL7173

Size:
90 Sq Km

Resources:
Copper-Gold

Targets

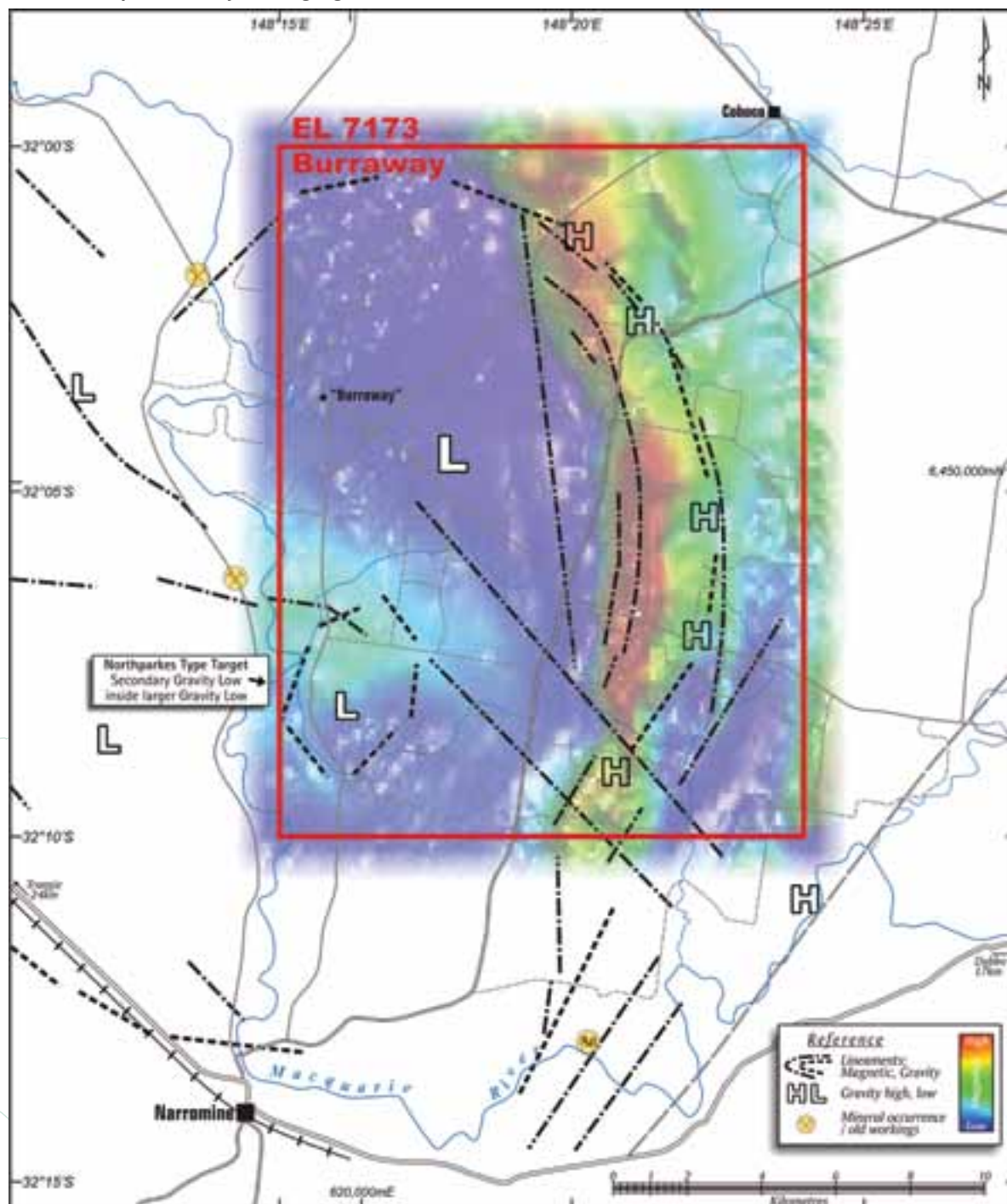
- Northparkes/Cadia-Ridgeway type deposits

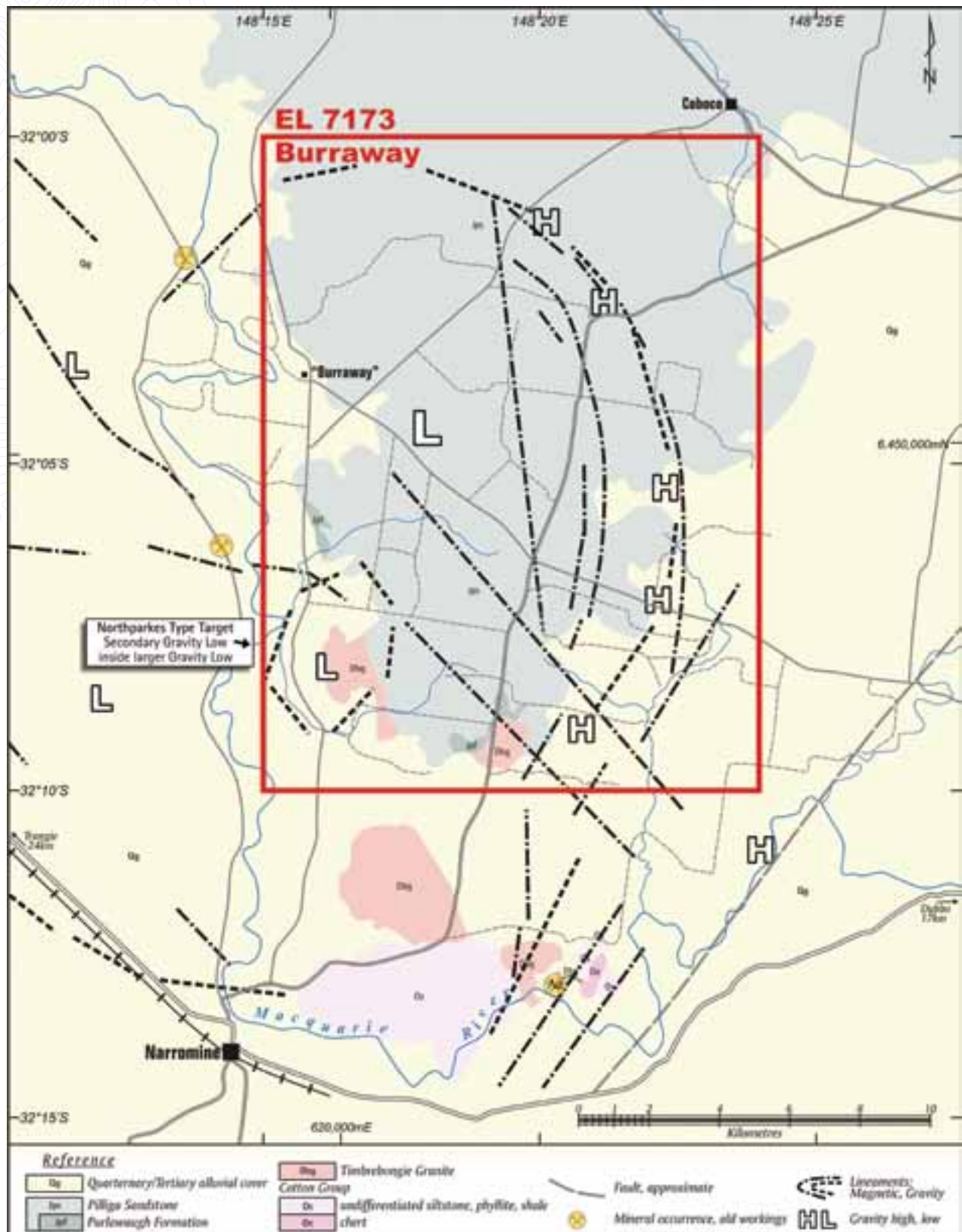
Company Goals

Capital Raising	Year 1	Year 2
\$8 million	64,371	65,629
\$12 million	64,371	65,629

- Porphyry copper-gold targets and related mineralisation
- Complete planned high resolution geophysics and drill defined anomalies

Tenement Map of Burraway with Highlights





Location Rationale

Location: North of Narromine.

Large Anomaly Found: The tenement covers a coincident magnetic and gravity anomaly similar to the Northparkes area, 70 km to the south. The tenement is covered by alluvials.

Host formation indicates possible mineralisation: The tenement is located over an intrusive, the eastern margins defined by a magnetic anomaly interpreted as a skarn. There is a gravity low associated with the intrusive, which extends to the west.

6.2.9 BULLAMALITO

Location:
Bullamalito, NSW

Licence No:
EL7195

Size:
303Sq Km

Resources:
Gold, Silver, Lead, Zinc

Targets

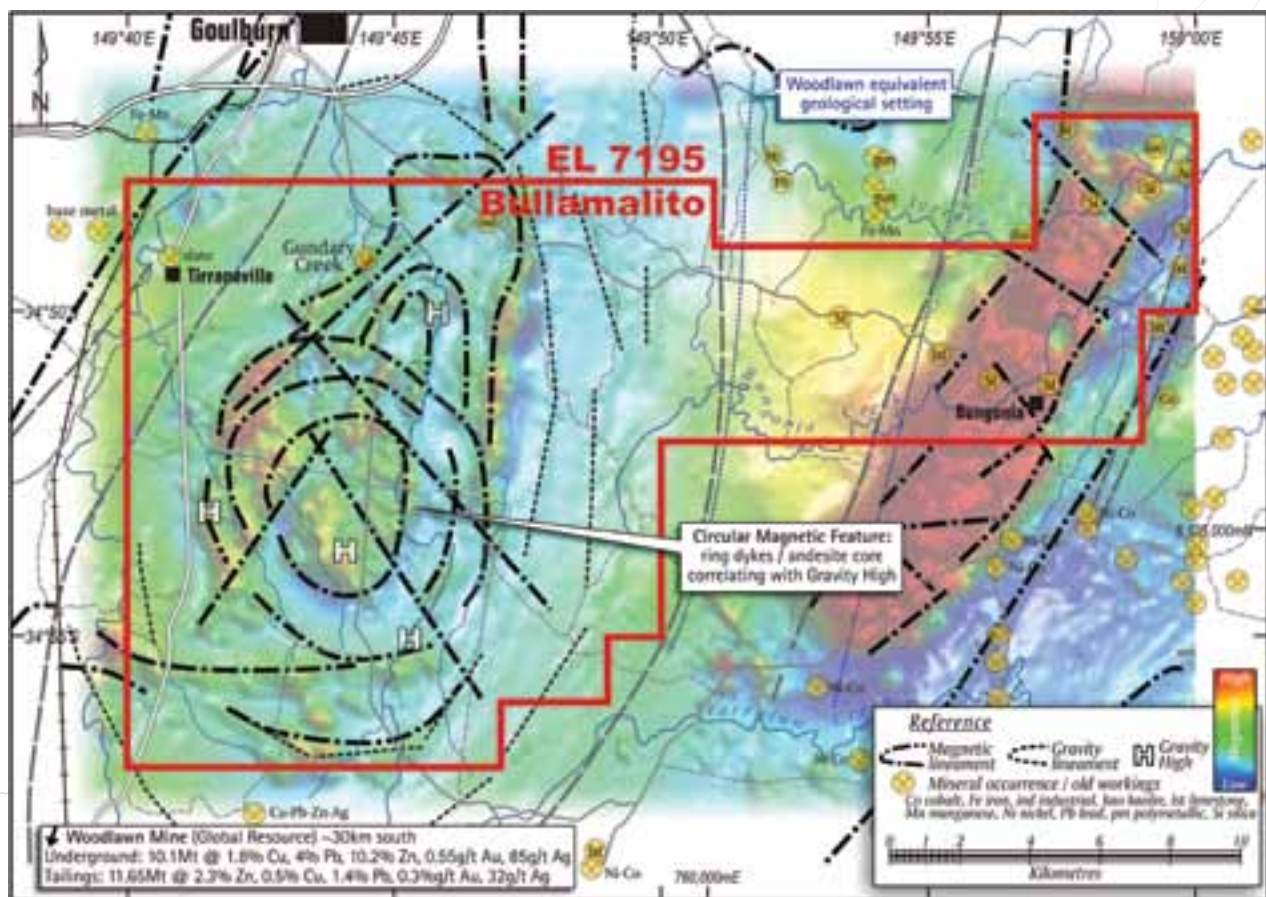
- Woodlawn equivalent deposits as well as epithermal gold targets.
- Input EM bedrock conductor indicative of base metal mineralisation
- Circular magnetic feature typical of a collapsed caldera

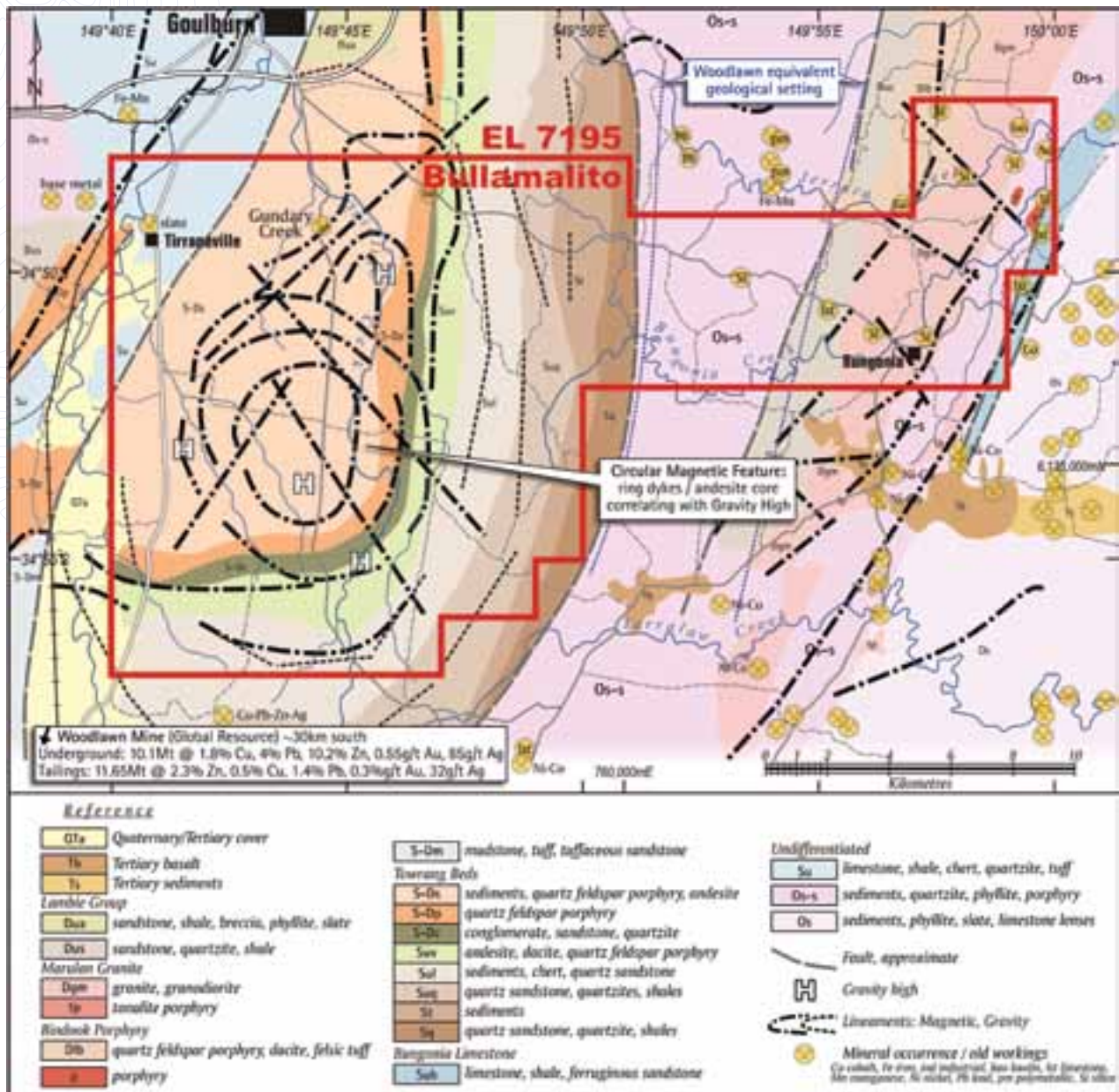
Company Goals

Capital Raising	Year 1	Year 2
\$8 million	79,726	81,273
\$12 million	79,726	81,273

- Equivalent global resource to Woodlawn in NSW, currently 20 Mt @ 1.5% Cu, 4% Pb, 10% Zn, 0.5g/t Au & 85 g/t Ag
- Seek high grade base metal mineralisation within rocks similar to those at Woodlawn.

Tenement Map of Bullamalito with Highlights





Location Rationale

Prime Mining Location with Historic Resource Finds: The Bullamalito tenement is in the Lachlan Fold Belt and located to the south of Goulburn NSW. It is approximately 20 km north of the Woodlawn lead-zinc, gold-silver-copper deposit and contains the same geological formation.

Research based Selection: The area was selected based on magnetic, radiometric and gravity data over a known porphyry system.

Significant anomaly indicating relationship with Woodlawn Formation: The tenement is located over an interpreted collapsed caldera in the Woodlawn Volcanics. The caldera may have been the source of the Woodlawn Formation. There is a gravity anomaly associated with the caldera and the area was investigated as part of the regional exploration when Woodlawn was discovered.

Previous Exploration Results Not Developed: During previous work programs a bedrock INPUT conductor was located on the south side of the caldera that was not followed up.

6.2.10 PUGGOON

Location:
Pugboon, NSW

Licence No:
EL7155

Size:
183 Sq Km

Resources:
Copper-Gold

Targets

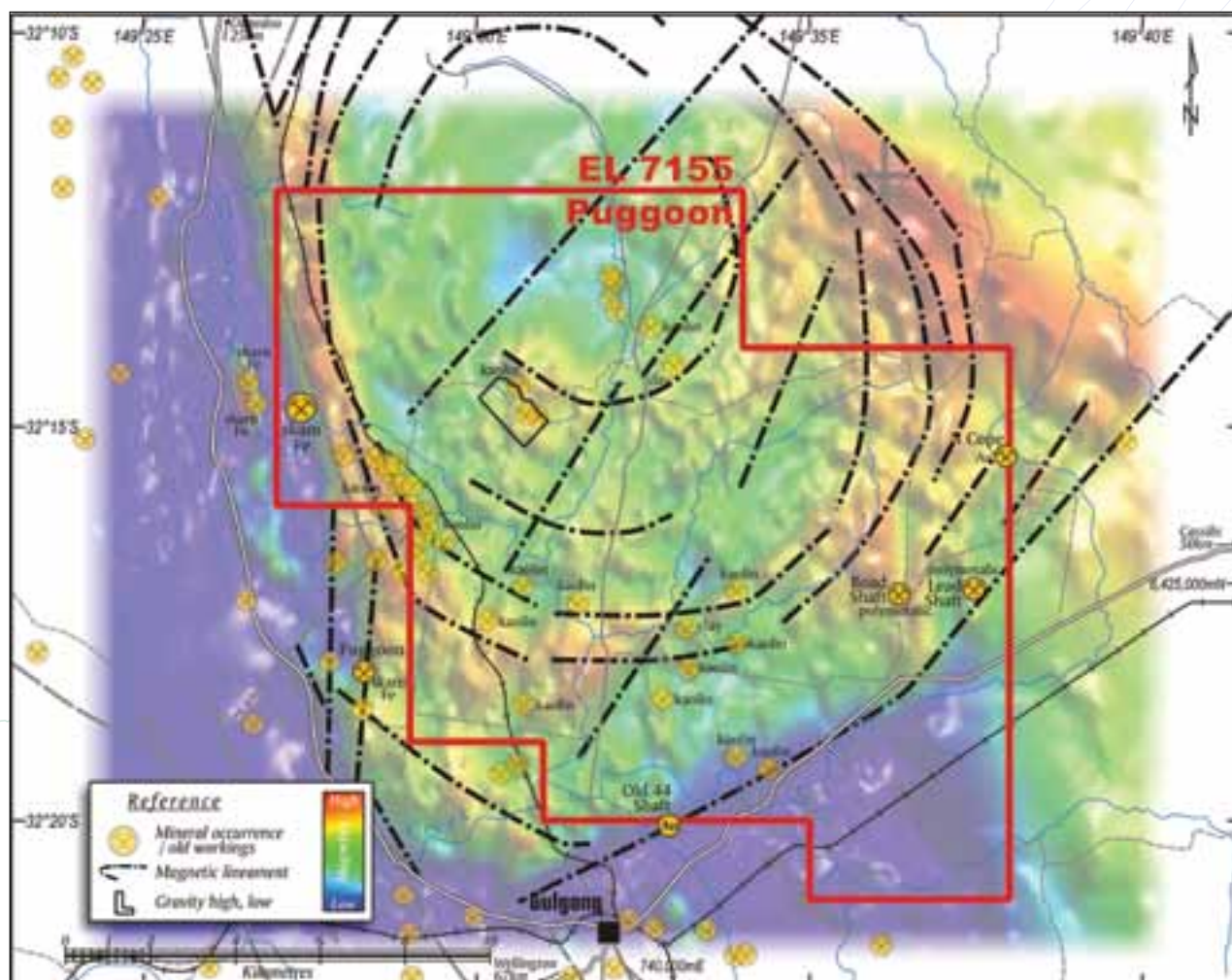
- Porphyry copper-gold mineralisation, in particular where coincident circular magnetic and gravity anomalies exist at major structural intersections.

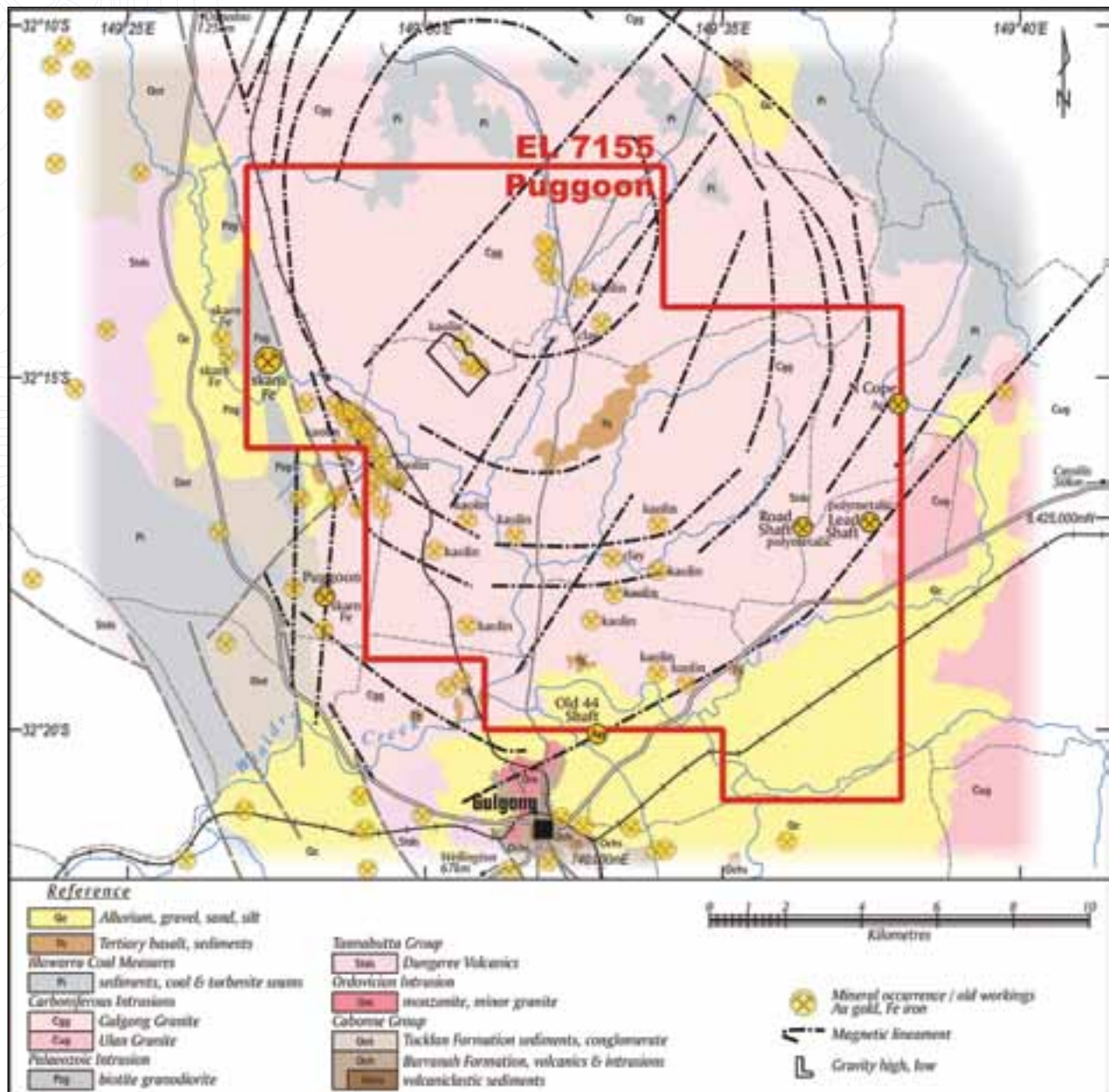
Company Goals

Capital Raising	Year 1	Year 2
\$8 million	55,895	57,106
\$12 million	55,895	57,106

- Porphyry copper-gold targets and related mineralisation
- Define the extents of the Iron-skarn mineralisation and its relationship to a larger potentially copper-gold bearing igneous body.

Tenement Map of Pugboon with Highlights





Location Rationale

Prime Mining Location with Historic Resource Finds: The tenement is located on eastern Lachlan Fold Belt and lies on the eastern margin of the Hill End Trough and the Sofala Anticline.

Existing Mineralisation Supports Research Data: Correlates with a magnetic response interpreted as an aureole surrounding a larger intrusive. In places the amplitude of the magnetic response is sufficient to be classified as a skarn.

Host formation: Skarn related mineralisation is in the west of tenement and the intrusive associated with the contact.

Additional Research Necessary: The Northparkes type target is identified here for follow up with mapping of intense kaolin alteration.

6.2.11 HONEYBUGLE

Location:
Honeybugle, NSW

Licence No:
EL7041

Size:
218 Sq Km

Resources:
Gold, Silver, Lead, Zinc

Targets

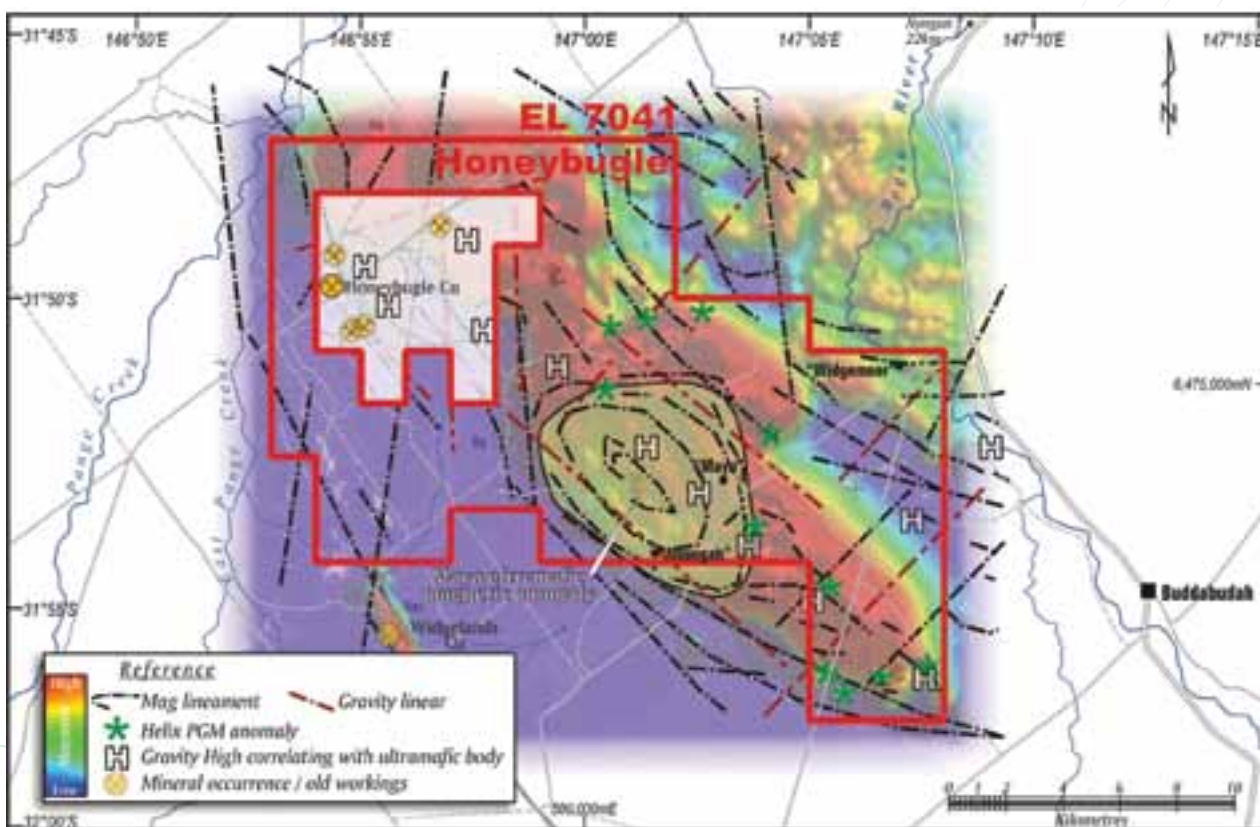
- Porphyry copper-gold mineralisation, in particular where coincident circular magnetic and gravity anomalies exist at major structural intersections.

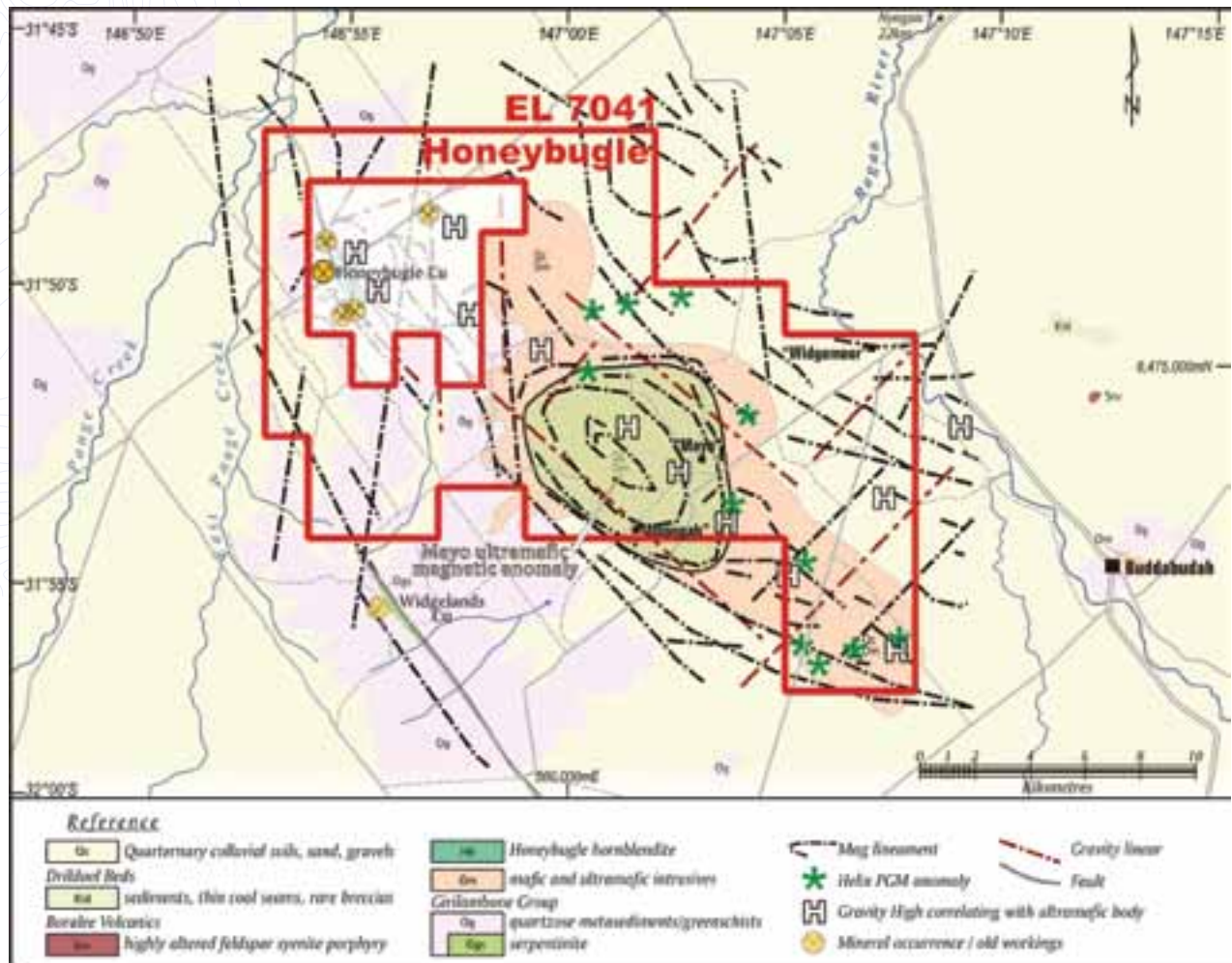
Company Goals

Capital Raising	Year 1	Year 2
\$8 million	117,808	120,191
\$12 million	117,808	120,191

- Porphyry copper-gold targets and related mineralisation
- Define the extents of the Iron-skarn mineralisation and its relationship to a larger potentially copper-gold bearing igneous body.

Tenement Map of HoneyBugle with Highlights





Location Rationale

Strong Mining area: The region is regarded as a platinum, copper and nickel province with associated silver and gold.

Proximity to Prime Locations: The Honeybugle tenement is located within the Fifield Platinum Province, northwest of the lateritic nickel-cobalt-platinum deposit at Syerston which contains a reserve of 80 Mt at 0.73% Nickel and 0.13% Cobalt with platinum credits and adjacent to Homeville lateritic Ni-Co deposit.

Significant mineral occurrences on tenement: The Honeybugle copper prospect which also carries gold and silver and has produced values up to 2.6% copper, 0.17 g/t platinum and 0.5g/t gold.

- The Honeybugle North workings averaged 0.54g/t platinum over a 20m wide zone.
- Yarran Park costean 194m x 0.34 g/t platinum, including 2m x 17.61g/t platinum and nickel up to 1,700 ppm.
- Mallee Valley, where RAB drilling intersected 8m x 0.53g/t platinum

Potential for Nickel and Platinum: A large ultramafic complex is present with potential and untested anomalies for nickel sulphide, nickel laterite deposits and platinum.

6.2.12 YARRAN

Location:
Yarran, NSW

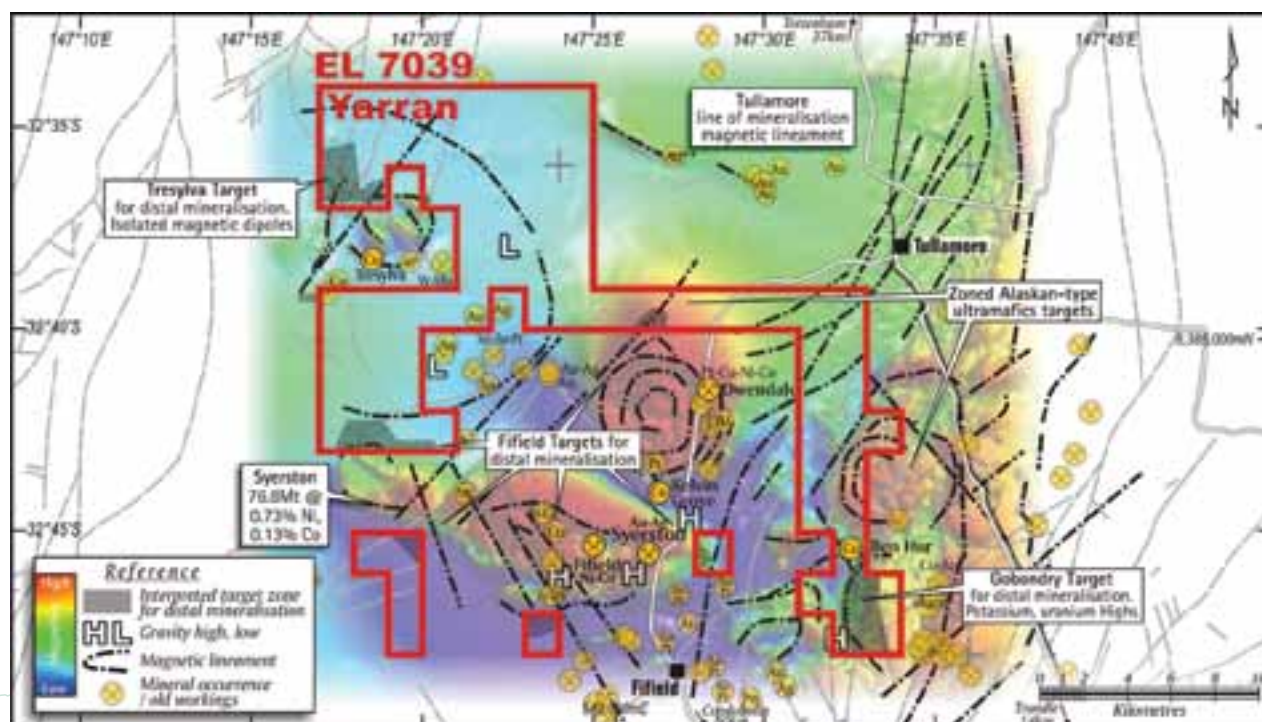
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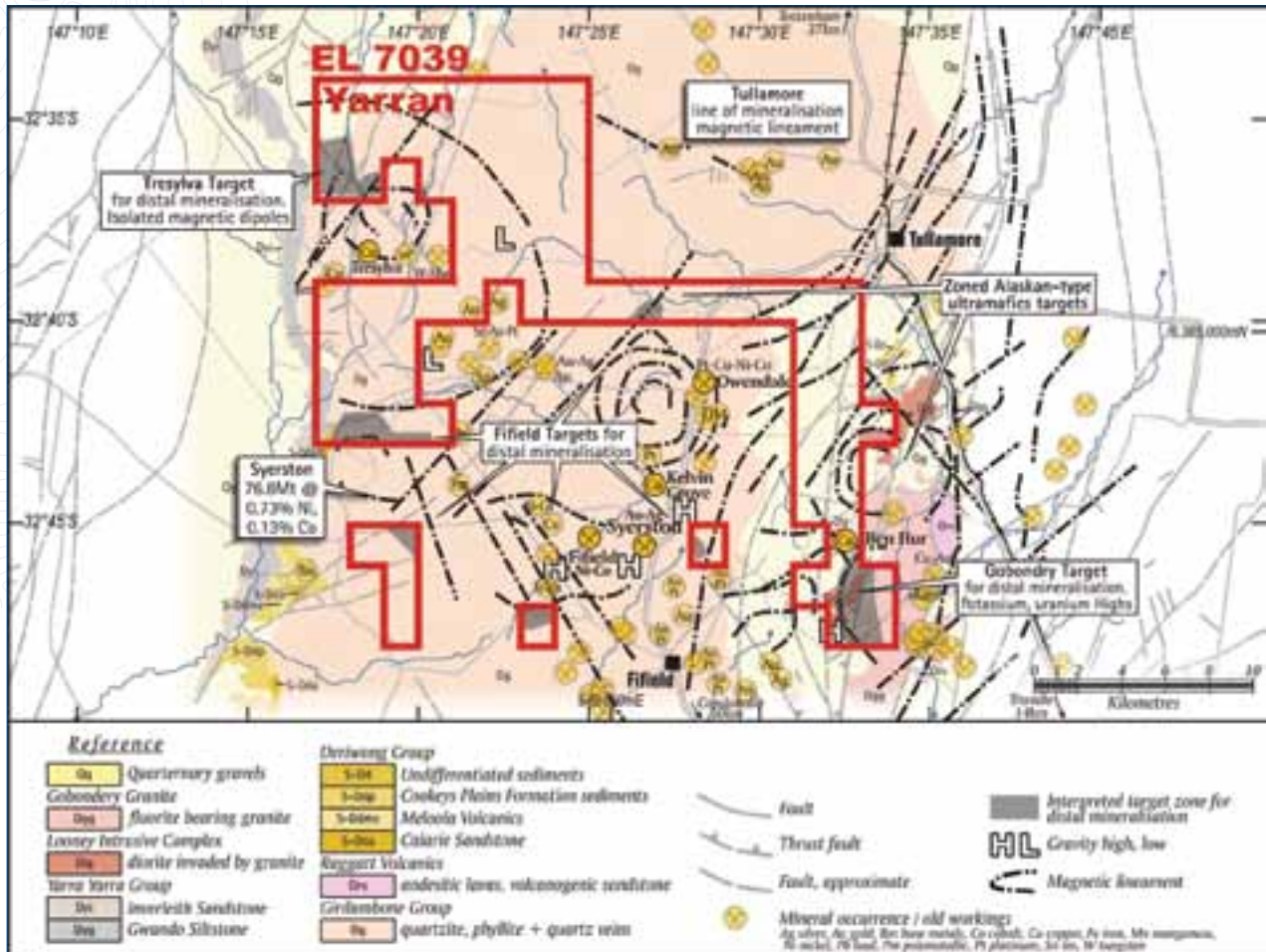
Size:
200 Sq Km

Resources:
Nickel-Cobalt, Platinum
Group, Gold

Targets	Company Goals		
- Nickel-Cobalt, PGE's - Gold mineralisation associated with the Fifield and Syerston ultrabasic bodies. - Locate equivalent to Owendale, Kelvin Grove and Ben Hur (on EL 7039) old workings.	Capital Raising	Year 1	Year 2
	\$8 million	107,858	110,142
	\$12 million	107,858	110,142
Complete planned high resolution geophysics and drill defined anomalies.			

Tenement Map of Yarran with Highlights





Location Rationale

Proximity to Platinum Deposits: Within the only platinum producing region in Australia at Fifield. Adjacent to the tenement lie the Owendale, Murga and Tout Intrusive Complexes with platinum having been mined in the area

Proximity to Gold Deposits: Near gold mineralisation area of the Girilambone Group featuring the Tullamore Goldfield associated with buried, near-surface intrusions.

Proximity to Prime Mining Locations: Yarran surrounds and overlaps the Syerston Platinum Group Element and Nickel-Cobalt deposits.

Strong Survey Data: The tenement includes radiometric, gravimetric and magnetic anomalies which are related to its immediate geology. Regional aeromagnetics show tenement intrusives as intense magnetic highs. Major gravity highs associated with the Yarran tenement are a feature comparable with the Olympic Dam structure.

Mineral Mix: There are ranges of mineral styles in, or adjacent to, the tenement. There are also base metal occurrences in the eastern sector of the tenement.ified here for follow up with mapping of intense kaolin alteration.

The information in this section relates to exploration results and is based on information compiled by Mr Robert Marshall McLennan, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr McLennan has sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr McLennan consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.

7.1 BOARD OF DIRECTORS, CHIEF FINANCIAL OFFICER, AND COMPANY SECRETARY



**Dr. Jannie Chan
Siew Lee**
Non-Executive
Chairperson

DATO' Dr. Jannie Chan is the Non-Executive Chairperson of Altius Mining Limited, appointed in February 2011. She is a businesswoman whose achievements are recognized both in Singapore and around the world. The Hour Glass, a company co-founded with her husband in 1979, is a leading contemporary specialist watch retailer in the Asia Pacific region.

Dato' Dr Jannie Chan was one of 50 Australians and alumni chosen and honored at the Advanced Women's Leadership Summit in Sydney, 7-8 March 2011. In August 2009, she was the first woman to win Enterprise Asia's APEA Entrepreneur of The Year Award, which is billed as Asia Pacific's most prestigious award for entrepreneurs, to reward them for outstanding performance and tenacity in building successful businesses. Dato' Dr Chan was also noted as one of the 50 leading Women Entrepreneurs of the World, in Paris in 1997.

Dato' Dr Chan was a member of the Women's Leadership Initiative Board, John F. Kennedy School of Government at Harvard University. In 2000, she became a member of the first Business Advisory Council of the United Nations Office for Project Services (UNOPS). Since 2004, she has also been a member of the Business Advisory Council of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP). Dato DR Chan was a member of the Commonwealth Business Forum.

Dato' Dr Chan is the first woman president of the Asean Business Forum and the Singapore Retailers Association. Her family roots and background in pharmacology and business, combined with her passion and concern for wellness and for the environment, have led her to establish Save Our Planet Investments, a holding company with businesses in the lifestyle, forestry and bio-medical industries, focused on Global Wellbeing & Longevity & Vitality. Dr Jannie Chan is also the Founder of Save Our Planet Investment Pte Ltd, with the passion of planting one billion trees thereby bringing more oxygen to the planet earth and reducing carbon emissions.



Alexander King
Managing Director / CEO
MAPRA , MPPCA, MAICD

Alexander King is Managing Director/CEO and principal shareholder of Altius Mining Limited, founding the Company in 2003.

He has been responsible for its growth and development from what was principally a private business specialising in mine remediation and re-processing through to a public mining Company.

Alexander has led the company in acquiring capital; the acquisition and development of its now substantial tenement holdings including gold, copper-gold, PGM, REE and base metals and the change in business direction to what is now a fully fledged junior miner, imminent gold producer, explorer and developer with global aspirations.

Alexander brings a wealth of international business connections and experience from the past 20 years gleaned from a diverse range of businesses activities. He is currently a director of Icarus Mines Pty Ltd and Fortius Mines Pty Ltd, both Altius Mining Limited related entities and also a director of Angel Jade Pty Ltd and Renew Technologies Limited.

Alexander is a member of the Australian Institute of Company Directors and is currently completing a Masters Degree in change technologies.

7.1 BOARD OF DIRECTORS, CHIEF FINANCIAL OFFICER, AND COMPANY SECRETARY



Robert McLennan
Non-Executive Director
BSc (Hons), MSc. (Melb),
Fellow AusIMM, MAIG

Robert McLennan is a Non-Executive Director of Altius Mining Limited, appointed in February 2011.

His 40 years' experience covers exploration for most minerals in Australia and internationally. From 1982 to 1988 he was Exploration Manager for Nationwide Resources Pty Ltd, an exploration group based in Sydney. In that position he was instrumental in the acquisition of assets for the public floatation of three exploration mining companies: Range Resources Limited, Dome Resources NL and Pacific Islands Gold NL. Robert founded Augar Resources Limited and Robust Resources Limited.

Previously Robert was employed by Conzinc Rio Tinto of Australia Exploration and Kratos-Stellar Exploration Group. Robert's expertise includes exploration and mining tenement acquisition; formulating exploration and mining feasibility programmes; budgets and strategy plans; liaising and negotiating with Mines Departments and other officials; negotiating directly with foreign governments and joint venture partners; supervising and carrying out exploration; preparing geological, management, statutory and Stock Exchange reports; and presentations to companies, stockbrokers and financial institutions.



Joe Fekete
Executive Director
Chief Financial Officer
FCPA FCIS

Joe Fekete is an Executive Director and Chief Financial Officer of Altius Mining Limited, appointed in July 2010.

Joe holds a Bachelor of Business in Accounting and is a registered Company Secretary. He holds the position of fellow with CPA Australia and the Chartered Institute of Secretaries. He is also a member of the Australian Institute of Company Directors.

His business management and accounting experience spans over 20 years in various industries including Mining, Wholesale Retail distribution, Travel, Construction, Advertising and Public Practice.

Joe is an experienced professional who has gained his experience in areas of statutory reporting, accounting, system development, restructuring and general business management from the Board Room to Shop Floor.

He is also experienced in public disclosure requirements and dealing with external parties, including statutory reporting and in the delivery of quality management information within the organisation on a timely basis.



Alfonso M G Grillo
Company Secretary
BA LLB

Alfonso Grillo is the company secretary of Altius Mining Limited, appointed in April 2011. He is a partner with Tress Cox Lawyers and has expertise in various aspects of commercial law, including company meeting practice and corporate governance procedures, fundraising and fundraising documentation, ASX Listing Rules and mergers and acquisitions.

Alfonso is currently also Company Secretary of ASX listed companies Somerton Energy Limited, Nagambie Mining Limited and Sun Biomedical Limited.

7.2 SENIOR MANAGEMENT AND KEY CONSULTANTS

Key management of the Company includes the following people.

Michael Leu
BSc.(Hons. 1) Geologist

Senior Project Geologist

Michael Leu is the Senior Project Geologist of Altius Mining Limited, appointed in 2009.

Michael is a geologist with 30 years professional experience in exploration and mining across a range of mineral commodities within Australia plus some Pacific and Asian countries.

He has worked in industry (Freeport, Getty Oil, Queensland Ores), as a private consultant and on the academic staff (7 years) of Macquarie University. He has managed field exploration and drilling programs.

A key strength is strategic planning specialising in project generation, selection and acquisition of mineral tenements through to IPO.

Michael also has vast experience in all phases (exploration, mining lease applications, R & D and commercialization/preparation of budgets/market analyses) in the development of some industrial mineral commodities.

Tony King
BSc (Chemistry)
BA (Earth Science)

Senior Project Metallurgist

Tony King is the Senior Project Metallurgist of Altius Mining Limited, appointed in 2009.

Tony is a professional Metallurgist and qualified geologist with over 30 years operational and technical experience within the resource industry.

Tony worked for Cominco in the mid 70's as a geologist in the field carrying out exploration programs and later held senior positions as Company Chemist for Ardlethan Tin, Gold Copper Exploration Pty Ltd, Great Northern Mining Corporation Ltd and MacArthur River Mine.

During this time he completed another degree in Earth Science at Macquarie University, Sydney and in 1987 established Tableland Analytical Pty. Ltd. of which he is principal providing mill and processing design, assay and metallurgical services to the resource industry.

He has held positions as Mill Superintendent of gold plants in Fiji and Queensland. Tony is a former director of Allegiance Mining NL where he was General Manager – Operations.

Boyd Pratt
Senior Consultant
Exploration Geologist and
Geochemist

BSc(Hons) Geology
MSc (Geochemistry &
Geostatics)
FAusIMM (CPGeo),
MAIG

Boyd has over 40 years experience as a geologist in Australia and overseas. He has worked for Mt. Isa Mines, Hamersley Iron, Woodsreef Mines, Union Corporation and others.

As an independent geologist since 1979, he has consulted to many mining and exploration companies including Teck Explorations, Aberfoyle, Penarroya, EZ Industries, Goldrim Mining and Gold & Copper.

Boyd is a Fellow of the AusIMM and a competent person under the JORC Code to report upon several types of mineral deposits.

1. Independent Geological Report

MINNELEX PTY. LTD.

GEOLOGICAL CONSULTING SERVICES & VALUATIONS

ABN 99 096 513 276

*R. C. W. Pyper
Minnelex Pty Ltd
283 Huntingdale Street
Pullenvale, Qld 4069*

*Ph/Fx 07 33742443
M 04-19661342*

August 3, 2011

The Directors
Altius Mining Limited
Level 3, 521 Toorak Rd
Toorak VIC 3142

Dear Sirs,

INDEPENDENT GEOLOGICAL REPORT FOR ALTIUS MINING LIMITED

At the request of the Directors of Altius Mining Limited (Altius), Minnelex Pty Ltd, (Minnelex), was engaged to prepare an Independent Geological Report on Altius' tenements in NSW and Queensland. The project areas are for inclusion in a Prospectus prepared by Altius, relating to the raising of \$12 million via the issue of 60 million shares at \$0.20 per share.

The Review Report includes an opinion as to Altius' proposed exploration programs and budget estimates and is prepared to conform to the JORC Code of AusIMM and is in accordance with the relevant requirements and listing rules of ASX Limited, and the Australian Securities and Investments Commission (ASIC) Regulatory Guides, 111, 112 and 55. Regulatory Guide 111 provides guidance on how an expert can help security holders make informed decisions about transactions. Regulatory Guide 112 explains how ASIC interprets the requirement that an expert is independent of the party that commissions the expert report (commissioning party) and other interested parties. Regulatory Guide 55 covers the citing of experts and statements of interest.

The status and tenure of the tenements are detailed in the Solicitor's Report. A field visit was undertaken to the Forsyth area to review the old mines and the mine development proposal and the author has visited nearby properties to many of the NSW licence areas in the last few years and is familiar with the mineral styles and the regional potential.

The report has been prepared by R C Pyper, BSc. FAusIMM. GAICD. Consultant Geologist.

Yours faithfully



INTRODUCTION

It should be noted that target mineralisation and mineralised zones in this Report that tonnes and grade figures, are not precise. The potential quantity and grade is conceptual in nature as there has been insufficient exploration to define a mineral Resource and it is uncertain if further exploration will result in the determination of a mineral Resource.

Altius Mining Limited (Altius), has concentrated principally on gold with its selection of exploration properties. In North Queensland, preliminary mining has already commenced on the Forsayth project. In NSW Altius has 12 projects, of which ten are in the highly regarded Lachlan Fold Belt of NSW, one of the most prospective areas in the world for copper and gold.

Forsayth is the company's flagship project and it has already established a base at the town with a mine geologist, miners and equipment and is well advanced on setting up its water supply, metallurgical circuit and mining operation schedule. The company's two Mining Leases and one EPM cover a number of small but high grade gold reefs where previous mining, exploration drilling and recent work by the company has defined considerable underground and lower grade openpit gold mineralisation. Sufficient underground sampling and surface drilling has been completed on the project areas to conclude that there is still considerable gold mineralisation outside the current tested areas, possibly in excess of 350,000t accessible via underground mining and possibly twice this tonnage at about one third the projected underground grade. Some of this material will come from the Queenslander Mine.

In NSW, The company has ten exploration licences (ELs) in the Lachlan Fold Belt, a region that has a vast gold and copper endowment from current mine operations such as Cadia – Ridgeway, Northparkes and Cowal. Five of the ten tenement areas are in central NSW, Wamboyne, Burraway, Bullamalito, Puggoon and Gowulma-Gunners, and contain geophysical similarities with known features over these world class porphyry-style orebodies; these include coincident circular gravity and magnetic lows, associated radiometrics, and in some cases caldera structures related to known mineralised porphyry systems. The Beehive East, Mooculta and Honeybugle ELs cover epithermal gold, skarn copper and nickel/PGE targets. Huntingfield, which is outside the Fold Belt and south of Broken Hill, covers part of a southwest striking magnetic and gravity high being actively explored. It is part of the Kars ultrabasic belt and targets nickel, copper, cobalt, PGEs, gold, silver and iron.

Altius also holds ELs at Sofala and at Karangi. At Sofala, the company expects to prove up a small Inferred Resource and the current target is 4 to 5 Mt @ around 1.0 g/t Au, which can be added to the nearby Queenslander Mine target. Historical records of other old gold mines in the area suggest there could be substantial underground gold mineralisation present at a possible grade of 4 g/t Au. The Karangi EL covers at least 150 old gold mines at a time when gold grades of over an ounce were required to break even. With the exception of the much larger Mt Browne deposit, virtually no modern exploration has been undertaken on this EL since the mines closed, many early last century. The high grades mined would indicate that there is a strong possibility of developing a number of open cut mining projects.

FORSAYTH PROJECT

Introduction

Altius intends to begin gold production from a number of rich quartz/gold veins within the Etheridge Goldfield, centred on the small town of Forsayth in North Queensland. Forsayth is 40 km south of Georgetown which is on the Gulf Developmental Road and connects by rail to Cairns and Townsville.

The Etheridge Goldfield, discovered in 1867, produced 1.1 Moz of gold from over 50 workings. Gold veins are typically hosted by 2 to 5m wide shear zones and some, such as the Big Reef duplex structure, can be traced for many kilometres as a broad corridor of shear hosted mineralisation. Duplex structural zones host many of the world's significant gold deposits such as Muruntau in Uzbekistan, one of the largest gold mines in the world; Macraes, which is New Zealand's largest gold mine; Tanami, in central Australia and also the Leonora-Laverton area of WA.

Three deposits have already been prepared for immediate development; Ropewalk, New Gossan and Flying Cow, all within the Ropewalk Mining Leases held by Altius. Of these the New Gossan and the northwestern extensions of the Ropewalk have potential to be developed as bulk mineable deposits, subject to further costeaning and drilling. The company has already carried out considerable development work including some rehabilitation of the Flying Cow adit, and some trial mining.

Work on exposing a number of the more important lodes has begun with ore being stockpiled. The work has indicated both better continuity of the lode between old workings and the presence of other nearby gold bearing lodes that may bulk out to extend the open cut potential.

Three other deposits, the Queenslander, Nil Desperandum, and the Mount Jack group are likely to be developed as high grade underground projects.

Table 1. Tenement Summary

Tenement	Name	Area	Expiry
ML 3417		130 ha	31/3/08**
ML 3418		110 ha	31/3/08**
EPM14498***	Forsyth	71 sq. Km*	15/1/11

*Application to retain 18 sub blocks for Year 5 has been lodged with DEEDl

**An application to renew the tenement for a further term of 10 years has been lodged with DEEDl

*** Other MLs within the EPM are not part of this Prospectus.

REGIONAL HISTORY

The Forsyth area has been the subject of gold mining dating back to the late 1870's when the Caledonian, Just in Time, Ropewalk and other mines were opened up. The surface outcrop of the gold bearing veins allowed easy mining and a number of treatment plants were operating back then. Historic grades were commonly above 1 oz/t but most veins were only worked in the oxide zone above the water table to avoid refractory sulphides. Cyanidation of tailings continued intermittently until 1939.

The first systematic modern exploration of the project area was by Howard-Smith Exploration in the 1980's (later to become Queensland Metal Corporation (QMC) and then Australian Magnesium Corporation). Howard Smith located a number of high grade gold occurrences, termed the Flying Cow style mineralisation and drilled approximately 120 percussion holes and six diamond drill holes but had difficulty in establishing any continuity of high grade mineralisation.

GEOLOGY AND MINERALISATION

The tenements lie within the Forsyth Province of the Georgetown Inlier. Within the project area, the northwest trend of the Big Reef Fault is the predominant control. The mineralisation is considered to belong to the intrusion related gold deposit style ("IRGD"); related to pluton sourced mineral-rich volatiles.

The key stage of the structural evolution of the area at which gold and sulphide mineralisation was introduced was after metamorphism, during or after faulting and before the intrusion of dykes in the Carboniferous-Early Permian. This was a stage of brittle faulting and fracturing that has been correlated with a period of Silurian-Devonian granite intrusion (Bain et al. 1998). Within that time interval, the gold was introduced by hydrothermal fluids penetrating a set of regional-scale, principally NE, N and WNW-striking faults, with gold generally hosted in 1-3m wide quartz veins with low sulphide content.

Most mineralised prospects occur along a single well-defined fault zone termed the Big Reef. The Just in Time and Ropewalk workings each consist of at least two sub parallel fault zones several metres apart. This mineralisation potential is summarized in Table 2.

In addition to gold, other minerals may also be present but have not been considered in the past. The Upper Carboniferous volcanic/sedimentary units are prospective for Maureen-type uranium mineralisation. These units (Galloway Volcanics, Cumberland Range Volcanics and Newcastle Range Volcanics) are carbonaceous and contain fossil plants. Volcanogenic Massive Sulphide deposits are known from the Pre-Cambrian Einasleigh Metamorphics eg the Mt Misery (Chloe) gossans, are also targets on the Altius ground. The Mt Misery gossans southwest of Einasleigh have grades of 6% zinc, 3% lead and 100 g/t silver as stratabound coarse grained sulphide layers.

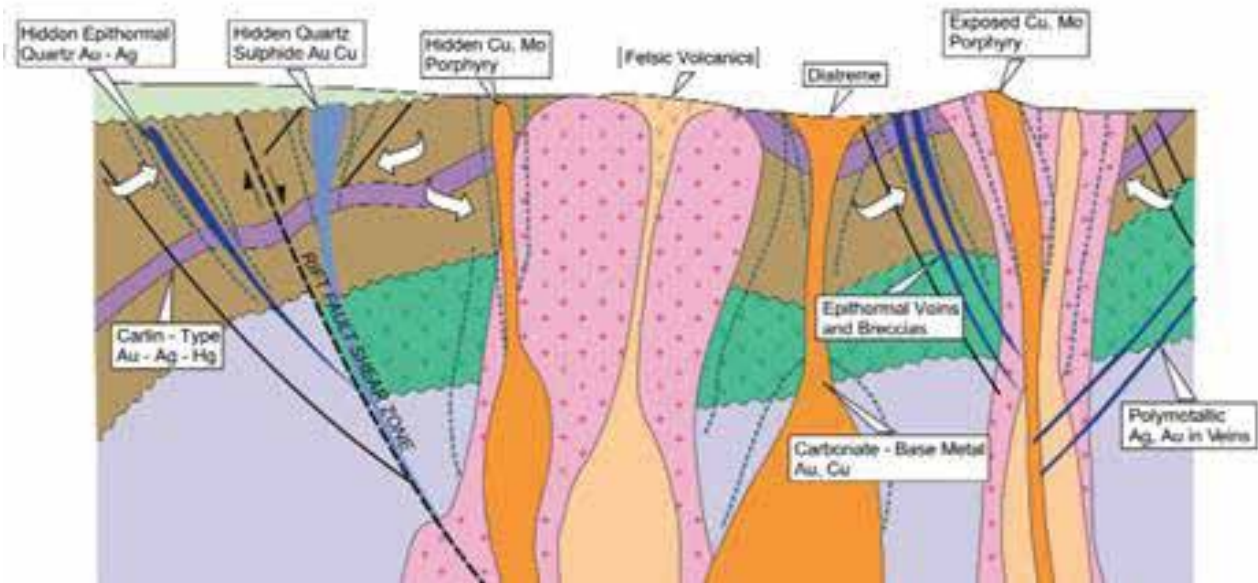
The principal historic mines within the Altius EPM are:

The Queenslander. This was the largest mine, worked from a series of shafts on several levels to a depth of 110m and strike of 460m. Production figures suggest an average recovered grade of around 44-47g/t Au. Current studies by the company indicate that some 34,000t to 45,000 t have been outlined by past work with Au with mineralisation open at depth and along strike from these drilled areas.

The Lady Franklin - Ropewalk. The mine comprises two parallel reefs about 5m apart and extending for 120m in quartz muscovite gneiss and schist. The target here is for 65 -70,000t grading around 4.0 – 4.4 g/t Au.

Just in Time. The mine workings extend over about 75m and three ore shoots appear to have been worked.

Intrusion Related Gold Model for the GEORGETOWN INLIER



TARGET ESTIMATES

ROPEWALK-LADY FRANKLIN MINERALISATION

There are a number of high grade lodes on the Ropewalk MLs. These are already in the process of being developed by Altius as open pit operations in the oxide layer. Previous exploration by QMC indicated grades of 10 g/t Au over several hundred meters.

The Ropewalk workings extend for some 360m and the mine produced 1,352t @ 24.9 g/t Au. This is a well defined lode or shear zone structure between 2 and 3.5m in width as exposed in trenches, the open cut and old pits. QMC tested it with at least 80 drill holes in the 1980s. These were mainly RC holes with a small number of diamond and open percussion holes. The drilling appeared to outline a number of higher grade shoots within a much lower grade envelope.

The highest grade gold intercepts in the drilling include:

2m at 33.75 g/t (RWP43)

1m at 24.0 g/t (RWP29)

1m at 20.7 g/t (RWP4)

2m at 15.35g/t (RWP3)

1m at 18.7 g/t or 2m at 12.75 g/t (RWP69)

2m at 12.7 g/t (RWP17)

1m at 15.0 g/t (RWP50)

1m at 24.1 g/t or 2m at 14.85 g/t or 4m at 8.84 (RWP61).

Recent open pit mining by Altius of the northwest end of the Ropewalk mine has exposed an area where the main lode splits in two. The northern lode includes the main workings. The southern lode is predicted to extend west and be part of the IP anomaly interpreted by Murdoch Geophysics as a silicified sulphidic shear associated with gold. It adds a potential mineralised strike length of 650m to the 1,000+ metres of lode hosting the Ropewalk and Lady Franklin mines.

The intersection of these lodes could potentially generate a broad breccia zone capable of wide mineralisation and potentially a bulk mineable target. A cluster of very high grade gold in drill intercepts was obtained by QMC in the area of the predicted intersection of the lodes.

Currently the open pit operations at the New Gossan, and the Ropewalk are mining oxide ore at grades greater than 10 g/t Au, and provided the processing plant can handle these grades these two mines should be the source of the initial mill feed stock.

The size of the Flying Cow geochemical anomaly shows this lode is more extensive than the small rich lode that is the current target of the underground operation. The QMC geochemical data from here indicates there may be potential for an open pit mine in the oxide zone.

Recent open pit mining of the northwest end of the Ropewalk mine has exposed an area where the main lode splits in two. The strike of the northern lode with the main workings. The southern lode is predicted to extend west and be part of the IP anomaly interpreted by Murdoch Geophysics to be a silicified sulphidic shear structure associated with gold mineralisation and adds a potential mineralised strike length of 650m. In addition to the 1,000+ metres of lode hosting the Ropewalk and Lady Franklin mines.

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LADY FRANKLIN

The Lady Franklin produced 911t @ 29.0 g/t Au and is a westerly extension of the Ropewalk lode. Workings include a shaft and pits extending over a strike of 250m that may connect with or intersect the Ropewalk lode. Between the Ropewalk and Lady Franklin workings the lodes may form a localised intersection-breccia zone and have the potential of hosting a bulk mining target. The workings are located near to the southwestern fault of the potential duplex structure mentioned previously. QMC drilled 6 percussion holes for 229m into the prospect.

Costeaning and composite rock chip sampling by Altius, (2011) and Orion Resources N. L. returned 9.04 g/t Au, including 13.04 g/t Au over the over 150m. The lode, for the majority of the interval sampled, was between 0.54m and 1.40m wide and consisted of hard white quartz with variable (5% - 30%) patches of gossan.

FLYING COW

The Flying Cow prospect includes the nearby Flying Cow North, the Flying Bull and the Flying Cow East. Each prospect holds some potential for significant gold mineralisation, grab samples assaying as much as 828.0 g/t gold (Flying Cow South scree sample), however only the Flying Cow has been explored in much detail.

The size of the Flying Cow geochemical anomaly shows this lode is more extensive than the small rich lode that is the current target of the underground operation. The QMC geochemical data from here indicates there may be potential for an open pit mine in the oxide zone.

QMC dug seven trenches (390m) on the Flying Cow prospect, and drilled 18 percussion holes for 748m and one 10m diamond drill hole. Drill hole and trench locations are not accurately known due to the lack of grid reference points.

Four holes produced intercepts with grades greater than 1 g/t Au:

FCP 6 (12009E)	8.0 - 14.0m, 6.0m true width at 5.9 g/t Au and 17 g/t Ag
FCP 7 (12009E)	10.0 - 14.0m, 2.0m true width at 2.1 g/t Au and 12 g/t Ag
FCP 13 (12040E)	34.0 - 36.0m, 2.0m true width at 24.9 g/t Au and 84 g/t Ag
FCP 15 (12040E)	35.0 - 36.5m, 1.5m true width at 6.9 g/t Au and 18 g/t Ag

The drilling is inferred to have been in the footwall and intersects mineralisation that may be separate from the main Flying Cow lode as presently understood. Considerable further work is required to determine the potential of the lode.

The target potential of the area can be calculated by using surface outcrop (70m) and an assumed underground continuity for 50m.

Backs - length 60m, depth 50m, width 1 m = 8,000t

Down dip - length 50m, depth 25m, width 1 m = 3,300t

Strike extension - length 25m, depth 75m, width 1 m = 5,000t

This gave 16,300t at approximately 1.0 oz/t Au for 16,300 oz.

This target could be increased by as much as three times, however the narrow 1.0 to 1.5m lode structure means that resource proving and mine development costs per tonne of proven ore would be high, implying that a high mining cut off may be necessary.

Underground mining of the Flying Cow lode was started again by Altius in 2009 and survey control has been completed and a mine schedule set out. Raises were constructed in the upper level ("FCL1") and are being extended to the surface. A lower level adit ("FCL2") is under construction to access interpreted down dip extensions to the lode. FCL2 will be driven along the strike of the lode. Hanging wall cross-cuts (perpendicular to the strike of the lode) are planned and will test for interpreted parallel lodes. The cross-cuts will also provide access for underground testing of the down dip extensions to the lode and other possible 'ore' shoots. Ore from driving, raising and stopping is being stockpiled to provide feedstock for the mill.

The drilling results appear to significantly under estimate the grade of the lode relative to the results from the underground sampling. During 2006-2007, a 14m adit and 51m drive exposed a quartz-pyrite-chalcopyrite bearing shear zone 0.4m to 1.5m wide. Fifteen composite rock chip samples were taken during this work of the exposed lode in both the drive and rise faces (developed at 1.5m intervals through the ore body). The sampling covered 21m of the 51m drive and yielded an average grade of 54.47 g/t Au. Two assays for Cu returned 2.49% and 2.7% respectively. The non-lode hanging and footwall of the ore body (lode, 58.26 g/t Au), assayed 1.86 and 3.84 g/t Au.

Flying Cow Mine, Drive and Rise Face Sampling			
Composite Rock		Chips of Ore Body	
		Au ppm	Cu%
10-Nov-06	Drive Face	42.26	
25-Nov-06	Drive Face	66.02	
30-Nov-06	Drive Face 2	118.54	
30-Nov-06	Drive Face 3	28.04	
30-Nov-06	Drive Face 4	81.05	
11-May-07	Drive Face	28.69	
16-May-07	Drive Face 1	75.24	
16-May-07	Drive Face 2	54.91	
14-Jul-07	Drive Face	15.61	
	Face	11.00	
	Face	15.00	
	Rise, Face	75.84	2.49
	East Face Lode	32.49	2.70
	South Face Lode	114.10	
	Face	58.26	

NEW GOSSAN PROSPECT

The New Gossan prospect is located about 500m north of the Ropewalk and was examined briefly by the QMC group in 1982-83. The prospect originally consisted of a line of historic pits along some 250 to 300m of a shear. QMC collected nineteen rock chip samples of gossanous lode material which averaged 9.3 g/t Au and 10.0 g/t Ag.

The presence of multiple lodes and quartz stockworks is evidence for a potentially wider zone of gold mineralisation which might support an open cut mining operation. The prospect does not appear to have been the target of previous exploration drilling except beyond the eastern end of the open cut area. This may be the QMC prospect named Gossan Creek. Data for the drilling has not yet been reviewed.

The southeastern portion of the New Gossan lode was open-cut in 2008 by Altius for the purpose of assessing width and grade. The observed, continuously exposed length was a least 250m and is part of an extended mineralized zone approximately 400m in length. A large percentage of the samples returned values between 10 and 50 g/t Au. Open cut bulk sampling was completed in November 2008.

The resource potential for this prospect may be limited to narrow higher grade lodes such as historically mined in the area: As an example, a narrow lode extending for 250m, depth of 70m and width 1m would yield 45,000t, possibly grading as much as 20 to 30 g/t Au if it was similar to other lodes in the area. The continuity along strike of the multiple lode structure is speculative and might be less than 100m, as the current exposure is minimal.

A bulk tonnage target is present here of 350 - 450,000t at a grade somewhere between 4 – 6 g/t, at a moderate strip ratio. The additional work required would include a drilling program of two to three sections of 2 to 3 holes each to test grades to a 60 - 70m depth drilled in the vicinity of the present open cut workings at the eastern end of the prospect with further drilling to follow. Clean up work with an excavator was recommended to improve exposure of the lodes and associated stockworks, to be followed up with detailed mapping and channel sampling.

QUEENSLANDER

Mining was previously conducted from a series of shafts on several levels to a depth of 110m and for a length of 460m. Two converging lodes occur, the Queenslander and Little Queenslander. The Little Queenslander line appears to have been worked over a strike length of 200m. The individual lodes consisted of mineralized quartz veins within a shear zone, and were 0.3 to 0.75m in width.

Castlegold mapped the area and sampled the dumps with a view to processing the available material. They also drilled seven diamond holes into the mine deeps below 110m level and established continuity of the ore zone to depth. The drilling suggests there is considerable potential at depth and along strike. Maps of the workings as they existed in the 1980's and 1990's show that the Queenslander and Little Queenslander lines of lode intersect to the east which is an attractive target for future drill testing.

The Queenslander group of workings offers significant potential for further high grade along strike from the historic workings on both lines of lode. A total combined strike length in excess of 600m was evident to depths in excess of 100m. The potential for discovering a similar sized resource to that historically mined was considered possible, with potential for an open-pit bulk mining resource.

The Castlegold drilling and mapping made it possible to provide estimates of the mineralised potential of the mine which amounted to 32-36,000t @ 13-15 g/t Au and 10 - 12,000t @ 18 to 19 g/t Au. Mineralisation is open at depth and along strike from their drilling. The drill intercepts have true widths between 0.11 and 1.7m with a simple mean width of 0.5m. Drill hole intercepts ranged between 0.23m to 1.7m true width and grades ranged from 4.4 - 105.0 g/t Au.

A parallel line of lode to the Queenslander is called the Little Queenslander and lies to the northeast. The dumps around the mine opening was processed by Union Mining in 1996, and the newly exposed line of lode was exposed by six costeans (the dump covered the line of lode). The significant results were:

Costean Sample Assay

A21011	11.20 g/t Au
A21014	3.30 g/t Au
A21016	3.68 g/t Au
A21017	4.26 g/t Au
B21032	2.08 g/t Au
A21019	3.34 g/t Au

The Little Queenslander lode was also tested by six costeans with significant results of:

B 21025	2.26 g/t Au
A 21028	1.14 g/t Au

NIL DESPERANDUM

The Nil Desperandum mine and line of lode was mined intermittently between 1878 and 1942 by open cut and underground workings over a length of about 500m and maximum depth of 153m. The average mine width was 2m and the lode shear, which can be traced for 2 km east of the Delaney River, is marked by limonitic gossanous quartz outcrop. The reef is reported to be heavily mineralised with galena, pyrite, chalcopyrite and sphalerite.

The line of lode is interpreted to extend over a strike length in excess of 3 km and production figures suggest an average recovered grade of 50.37 g/t Au. Above 85m depth it was reported to average 53.7 g/t Au. Between the 85m and 116m levels the average grade dropped to 30.4 g/t Au. In 1993, Union Mining put in 11 trenches and 5 holes. Two holes returned significant assays:

ND1: 6m averaging 9.14 g/t Au from 7-13m, including 2m averaging 18.87 g/t Au from 7-9m

ND2: 2m averaging 1.84 g/t Au from 9-11 m.

With 2 km of lode shear zone available for testing, and possibly 3 km if the Pinnacles workings lie on the same structure, the Nil Desperandum lode could have potentially mineable resources equivalent to, or greater than its historic production of some 21,000 oz gold.

Nil Desperandum workings comprise a number of east trending fractures, with mines having a significant historic production. The most southerly of the fracture lines hosts the Nil Desperandum mine which had an historic recorded gold production of approximately 20,000 oz. In 1993 the prospect was tested by 21 costeans and then drilled. Significant costean results were:

Costean	Sample	Assay
3	A 17843	1.12 g/t Au
9	A18974	10.10 g/tAu
10	B 17859	1.31 g/t Au
13	A 17867	4.52 g/t Au
15	A 17871	7.46 g/t Au
	B 17872	4.76 g/t Au
	C 17873	1.70 g/t Au
16	C 17876	1.01 g/t Au
17	A 17887	2.48 g/t Au
	D 17890	2.04 g/t Au
18	C 17893	8.60 g/t Au

PINNACLES WORKINGS

The Pinnacles workings occur along strike from the Nil Desperandum workings some 3 km to the east. Production was 788t at an average grade of 70 g/t Au. Two reefs, consisting of massive quartz veins some 10-12m apart were worked. They were 1.0 to 2.0m in width and mined to a depth of 43m over less than 30m of strike.

LIGHTNING, LIGHTNING 1 AND LIGHTNING FLASH

Altius has located a significant tonnage of open pittable gold ore in northwest trending structures that host the Lightning Flash, Lightning 1 and Lightning 2 lodes. Costeaining these lodes has delineated gold distribution. Selective open-cut mining to 18m on these structures could deliver several thousand tonnes of ~5 g/t Au ore for blending with high grade underground ores to provide suitable mill feed.

An Intrusion-Related Gold Deposit ("IRGD") model may be applicable here.

The target model is a small pluton that has intruded into an extensional regime at higher crustal levels. Mineralisation currently exposed at surface is hosted in fractures developed in the hornfelsed aureole and at depth there may be an early-chilled and more brittle mineralised marginal carapace where fluids have accumulated as disseminated and fracture hosted mineralisation.

The Lightning 1 structure extends for some 340m and is open to the northwest. The Lightning 2 structure has been traced for 368m.

A domal structure along the Lightning 1 lode extends for 70m northwesterly and exhibits phyllic alteration, stockwork and sheeted quartz veins and prolific pegmatites with anomalous Au. Collectively these are indicative of a blind pluton having reached fluid saturation – evidence of rapid fractionation and fluid exsolution - potential IRGS.

Sheeted/stockwork auriferous veins in hornfelsed metasediments occur in several places along both lodes. These have undergone quartz-sericite alteration and are associated with intense pegmatite activity - diagnostic characteristics of a magmatic origin for mineralizing fluids. Significantly the metasediments may be preserved as hanging pendants capping the carapace of granite. Geophysical surveys may locate a blind intrusive beneath these mineralised structures. There is a possibility of a younger, mineralised stock at depth, thus significantly expanding the potential mineralizing systems. As yet no deep holes have been drilled to test genetic models for fluid sources.

Estimate of Available Tonnage Lightning 1: 2,000 – 2,5000t.

Estimate of Available Tonnage Lightning 2: 3,000 – 4,000t.

Estimate of Available Tonnage Lightning Flash: 5,000 – 5,500t.

These estimates are based on costean sampling assuming average width of 1m and a depth of 10m.

HR AND CARAVAN PROSPECTS

The mineralised HR lode is developed over an auriferous gossan within the Forsayth Granite and can be traced for 600m. A composite grab sample of ore from around the collapsed 'HR' shaft assayed 14.06 g/t Au. The northwest trend parallels the dominant auriferous structures.

The Caravan Park lode has been traced in outcrops and pits over a strike length of 250m. The true width is unknown but mineralised vein pieces from pits were up to 0.7m wide. The ore body consists of white quartz, extensively iron-stained and fractured, occasionally brecciated and very gossanous in places. Assays of three samples of ore ranged from 2.11 to 13.48 g/t Au.

OTHER PROSPECTS

Other prospects within the northern blocks of the EPM that have been mined historically include the Melba-Mountaineer-Struggle line of workings and the Forget-Me-Not-Settler line of workings. The Melba-Mountaineer-Struggle line of workings extend over a 600m strike length of a fault/shear structure inferred by Union Mining to extend to several kilometres both to the west and to the east of the Mountaineer. Production is tabled below.

Table 3: Showing Production Figures from Union Mining

Mine	Grade and tonnes of gold
Melba	53.3t @ 26.84 g/t
Mountaineer	364.7t @ 29 g/t
Struggle	166.7t @ 23 g/t
Forget-Me-Not	664.6t @ 25 to 30 g/t.



EL	Name	Proposed Work	\$8 Million			\$12 Million		
			Year 1	Year 2	Total	Year 1	Year 2	Total
ML3418	Flying Cow & Flying Cow South	Database compilation	\$7,492	\$0	\$7,492	\$36,867	\$0	\$36,867
		Geology mapping	\$4,995	\$2,497	\$7,492	\$24,578	\$12,289	\$36,867
		Geophysics (Aeromag and Aerorad)	\$4,995	\$0	\$4,995	\$24,578	\$0	\$24,578
		Geochemistry	\$7,492	\$0	\$7,492	\$36,867	\$0	\$36,867
		Geophysics (IP)	\$12,487	\$7,492	\$19,980	\$61,445	\$36,867	\$98,312
		Drilling	\$159,838	\$292,204	\$452,043	\$786,499	\$1,437,819	\$2,224,318
			\$197,300	\$302,194	\$499,495	\$970,835	\$1,486,975	\$2,457,810
ML3417	Ropewalk	Database compilation	\$4,203	\$0	\$4,203	\$18,160	\$0	\$18,160
		Geology mapping	\$2,802	\$1,401	\$4,203	\$12,106	\$6,053	\$18,160
		Geophysics (Aeromag and Aerorad)	\$2,802	\$0	\$2,802	\$12,106	\$0	\$12,106
		Geochemistry	\$4,203	\$0	\$4,203	\$18,160	\$0	\$18,160
		Geophysics (IP)	\$7,005	\$4,203	\$11,208	\$30,266	\$18,160	\$48,426
		Drilling	\$89,665	\$163,920	\$253,585	\$387,405	\$708,225	\$1,095,630
			\$110,681	\$169,524	\$280,204	\$478,203	\$732,438	\$1,210,641
ML3417	New Gossan	Database compilation	\$1,919	\$0	\$1,919	\$4,775	\$0	\$4,775
		Geology mapping	\$1,279	\$640	\$1,919	\$3,183	\$1,592	\$4,775
		Geophysics (Aeromag and Aerorad)	\$1,279	\$0	\$1,279	\$3,183	\$0	\$3,183
		Geochemistry	\$1,919	\$0	\$1,919	\$4,775	\$0	\$4,775
		Geophysics (IP)	\$3,198	\$1,919	\$5,117	\$7,958	\$4,775	\$12,733
		Drilling	\$40,934	\$74,833	\$115,767	\$101,861	\$186,214	\$288,075
			\$50,528	\$77,391	\$127,919	\$125,734	\$192,581	\$318,315
EPM14498	Lady Franklin	Database compilation	\$1,005	\$0	\$1,005	\$3,914	\$0	\$3,914
		Geology mapping	\$670	\$335	\$1,005	\$2,609	\$1,305	\$3,914
		Geophysics (Aeromag and Aerorad)	\$670	\$0	\$670	\$2,609	\$0	\$2,609
		Geochemistry	\$1,005	\$0	\$1,005	\$3,914	\$0	\$3,914
		Geophysics (IP)	\$1,675	\$1,005	\$2,680	\$6,523	\$3,914	\$10,437
		Drilling	\$21,442	\$39,198	\$60,640	\$83,492	\$152,635	\$236,127
			\$26,467	\$40,538	\$67,005	\$103,061	\$157,853	\$260,914
EPM14498	Lightning & Lightning Flash	Database compilation	\$914	\$0	\$914	\$3,522	\$0	\$3,522
		Geology mapping	\$609	\$305	\$914	\$2,348	\$1,174	\$3,522
		Geophysics (Aeromag and Aerorad)	\$609	\$0	\$609	\$2,348	\$0	\$2,348
		Geochemistry	\$914	\$0	\$914	\$3,522	\$0	\$3,522
		Geophysics (IP)	\$1,523	\$914	\$2,437	\$5,871	\$3,522	\$9,393
		Drilling	\$19,492	\$35,635	\$55,127	\$75,143	\$137,371	\$212,514
			\$24,061	\$36,853	\$60,914	\$92,755	\$142,068	\$234,823
EPM14498	Havelock & Caravan Park	Database compilation	\$457	\$0	\$457	\$1,957	\$0	\$1,957
		Geology mapping	\$305	\$152	\$457	\$1,305	\$652	\$1,957
		Geophysics (Aeromag and Aerorad)	\$305	\$0	\$305	\$1,305	\$0	\$1,305
		Geochemistry	\$457	\$0	\$457	\$1,957	\$0	\$1,957
		Geophysics (IP)	\$761	\$457	\$1,218	\$3,261	\$1,957	\$5,218
		Drilling	\$9,746	\$17,817	\$27,564	\$41,746	\$76,317	\$118,064
			\$12,031	\$18,426	\$30,457	\$51,531	\$78,926	\$130,457
EPM14498	Queenslander	Database compilation	\$1,645	\$0	\$1,645	\$6,653	\$0	\$6,653
		Geology mapping	\$1,096	\$548	\$1,645	\$4,436	\$2,218	\$6,653
		Geophysics (Aeromag and Aerorad)	\$1,096	\$0	\$1,096	\$4,436	\$0	\$4,436
		Geochemistry	\$1,645	\$0	\$1,645	\$6,653	\$0	\$6,653
		Geophysics (IP)	\$2,741	\$1,645	\$4,386	\$11,089	\$6,653	\$17,742
		Drilling/Bulk Sampling	\$35,086	\$64,142	\$99,229	\$141,937	\$259,479	\$401,416
			\$43,310	\$66,335	\$109,645	\$175,204	\$268,350	\$443,554
EPM14498	Nil Desperandum	Database compilation	\$640	\$0	\$640	\$2,427	\$0	\$2,427
		Geology mapping	\$426	\$213	\$640	\$1,618	\$809	\$2,427
		Geophysics (Aeromag and Aerorad)	\$426	\$0	\$426	\$1,618	\$0	\$1,618
		Geochemistry	\$640	\$0	\$640	\$2,427	\$0	\$2,427
		Geophysics (IP)	\$1,066	\$640	\$1,706	\$4,044	\$2,427	\$6,471
		Drilling	\$13,645	\$24,944	\$38,589	\$51,765	\$94,634	\$146,399
			\$16,843	\$25,797	\$42,640	\$63,898	\$97,869	\$161,767
		Total	\$481,221	\$737,059	\$1,218,280	\$2,061,221	\$3,157,059	\$5,218,280

NSW EXPLORATION LICENCES

Introduction

Altius has twelve ELs in the Lachlan Fold Belt of NSW, an optimum region in the world for exploration and mining. NSW is stable both legally and politically, with ease of ground accessibility and an established data base system. Many discoveries are quite recent, demonstrating that the Lachlan Fold Belt is one of the most prospective areas in the world for copper and gold with a gold endowment of over 50 Moz, and a copper endowment of over 10 Mt surrounding the Orange region and Altius' tenements. Major mines include:

Cadia – Ridgeway, a porphyry Au-Cu deposit of Newcrest, with a production of 1M oz Au and 100,000t + Cu/ p.a.

Northparkes, a porphyry Au-Cu deposit of Rio Tinto with a production of 83,000t copper p.a., 95,000 oz gold p.a.

Cowal, a mesothermal deposit of Barrick and Placer/Dome, with production of 250,000 oz Au p.a. and a resource of 3.5M oz Au.

The Altius tenements are reasonably close to world class mines and deposits and infrastructure is excellent with nearby existing railway/roads/labour force/power supply and direct access to ports. Many tenements contain old mines and mineralised zones, and have geophysical, geological and geochemical defined drill targets, principally for gold but with potential for other metals including copper, platinum-nickel, zinc, lead, tin, nickel, iron, zirconium and rare earths.

Five of the ten tenement areas, Wamboyne, Burraway, Bullamalito, Puggoon and Gowulma-Gunners, have geophysical similarities with known features to world class mineralised porphyry-style orebodies such as Northparkes, Cadia and Cowal mines; these include coincident circular gravity and magnetic lows, associated radiometrics, and in some cases caldera structures related to known porphyry systems. Of the other areas:

The Beehive East EL includes a coincident magnetic and gravity anomaly similar to that found in the Yeoval area, 25 km to the south and Northparkes to the southwest.

The Mooculta EL covers several base metal prospects along a structurally complex contact zone with recently recognised Ordovician age shoshonitic volcanics as found at Cadia, that are under cover on the northern sector of the tenement.

The Honeybugle and Yarran ELs cover an intrusive complex prospective for nickel and platinum

The Huntingfield EL, south of Broken Hill, covers a sector of the Kars ultrabasic Belt that contains nickel potential. The extension of this ultrabasic Belt is held by Vale/Inco. In the northwest sector of the EL there are an estimated 100-300 Mt of paleo channel iron isolites.

Altius also holds ELs at Sofala and at Karangi. At Sofala, an opencut Inferred Resource of 4.6 Mt @1.0 g/t Au is delineated to which can be added resources at the nearby Queenslander Mine. The Karangi EL that is within the New England Fold Belt, covers at least 150 old gold mines. Virtually no modern exploration has been undertaken on this EL since the mines closed. The high grades mined would indicate that there is a strong possibility of developing a number of open cut mining projects.

PROPERTY

Table 4. Current Tenements

EL	Name	Units	Area Sq Km	Target
7423	Sofala	62	180	Au
7036	Gowulma-Gunners	134	402	Au, Cu
7046	Huntingfield	204	612	U, Au (Cu, Ni, Fe)
7045	Wamboyne	110	330	Au (Cu, Pb, Zn)
7332	Karangi	97	290	Au, Cu, Mn
7039	Yarran	80	240	Pt, Au, Fe
7041	Honeybugle	89	267	Pt, Au
7159	Beehive East	55	165	Au (Cu Zr)
7195	Bullamalito	121	363	Au (Cu, Fe)
7082	Mooculta	75	225	Au Cu, Pb, Zn, Sn)
7173	Burraway	90	270	Au, Cu
7155	Puggoon	73	220	Au, Cu
Total		1,190	3,564	

SOFALA EL7423

Introduction

The Sofala EL covers the Spring Gully deposit, where the target is for 4 to 5 Mt openpit gold grading around 1 g/t Au. Other old gold mines are also in the area including the Queenslander that historical records indicate has a potential to host substantial underground gold mineralisation at a possible grade of about 4 g/t Au. The EL is in NSW and lies on the Peel Rd between Sofala, (6km to the north) and Bathurst (35km to the south). The gold areas are in an area referred to as Wattle Flat. This tenement is within the first gold mining area in Australia, namely Turon River – Sofala – Wattletree Flat Goldfields.

Wattle Flat has been a significant but not spectacular historical gold mining area with some 526 kg. of recorded hard rock gold production of which the principal contributors were Surface Hill (within A11 and not included in the tenement) - 208 kg production, the Queenslander - 115 kg, and Solitary Reef - 118 kg. In addition, gold has been won from extensive alluvial workings in the Turon River and in the creeks draining the hard rock mineralised areas.

GEOLOGY AND MINERALISATION

The oldest rocks are the Ordovician Sofala Volcanics, a sequence of volcanoclastic sediments, cherts and andesitic lavas and tuffs. Discrete areas of andesitic extrusives are present, probably individual volcanic centres.

Silurian rocks are represented by the Chesleigh Formation greywackes and volcanoclastics; acid volcanics and related sediments of the Bells Creek Volcanics, and the argillites, conglomerates and thin limestones and cherts of the Tanwarra Shale.

The youngest rocks in the area are granites, granodiorites, monzonites, quartz porphyries and diorites all probably of Carboniferous Bathurst Granite age. These rocks intrude the Silurian and Ordovician sequences in the licence and also the Wiagdon Thrust.

The primary mineralisation within the licence is confined to the area around Wattle Flat where these three fracture systems intersect, and it is also distributed around the edge of the Wattle Flat Magnetic Complex. A controlling feature is the Wiagdon Thrust, and both the Queenslander and Spring Gully deposits occur immediately under or within the Wiagdon Thrust and its associated faults. The Thrust may have formed both a barrier to vertical migration of hydrothermal fluids and the conduit down which cold bicarbonate water migrated, mixing with the hot fluids under the Thrust plane. The intersection of the fracture zones has provided the plumbing system for the circulation of hot brines over the intrusive, and primary gold enrichments in the Sofala Volcanics have provided the source of the gold to be re-precipitated in suitable sites above the brine plumes.

The main areas of exploration interest within the Sofala tenement are at the Spring Gully deposit and the Queenslander Mine.

Spring Gully Deposit

The Spring Gully deposit 1.7 km. east of Wattle Flat was originally tested by 6 diamond holes and 63 RC holes. Exploration showed that there are two low grade zones (0.5 g/t Au cut off), which have some lateral continuity with the upper zone thickest in the south and thinning out, but still continuous, for at least 700m northwards along strike. The lower zone is thinner, but more continuous, stretching as far northwards as the upper zone, and sporadically 700m southwards. Both intervals are contained in an overall very low grade zone which, in places, is well in excess of 100m thick. In 2001-2002, a review of the original mineralisation using a 0.5 g/t Au cut-off confirmed the tonnes but indicated a higher grade at 1.42 g/t of gold.

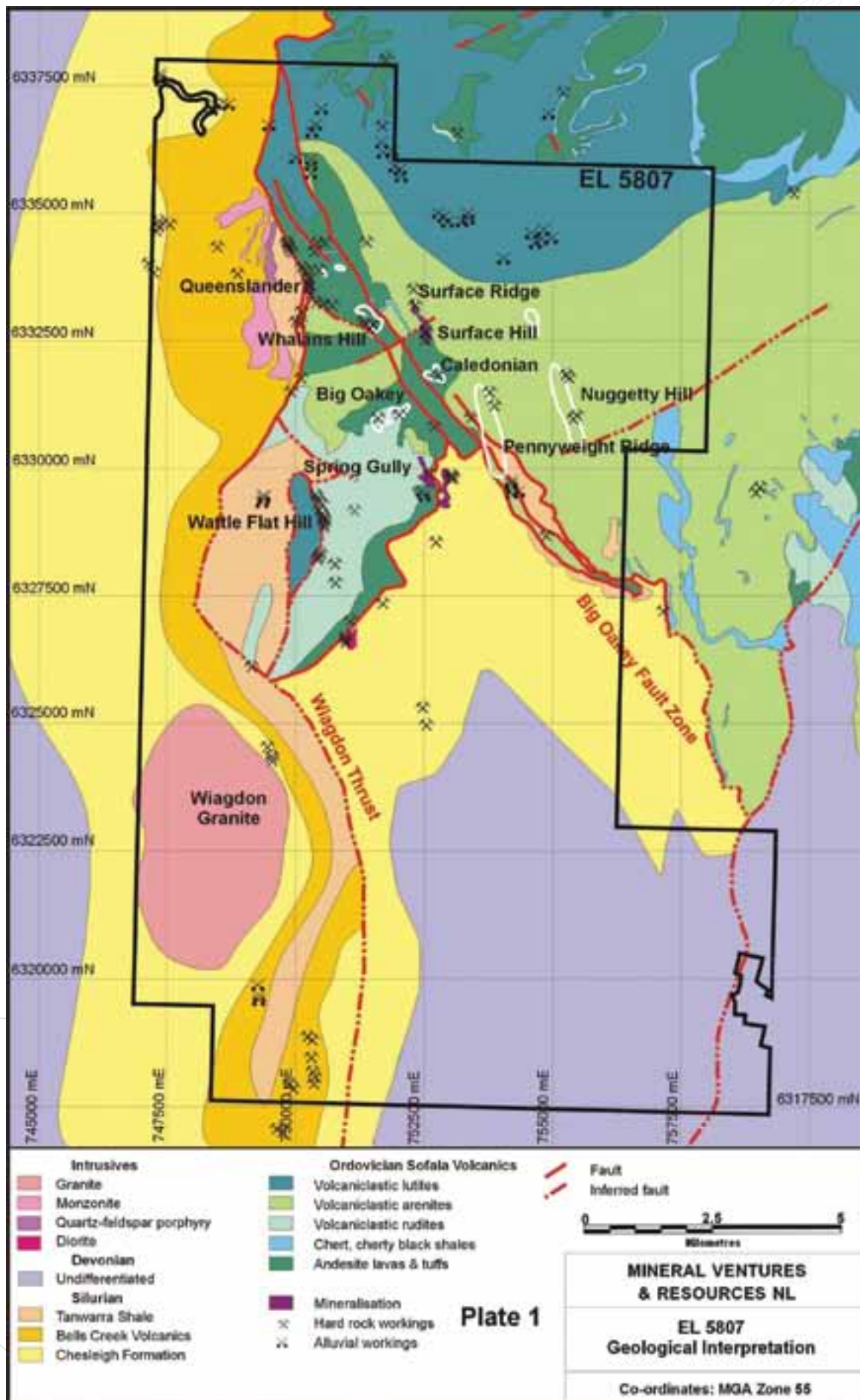
Duplicate assay data for gold shows good consistency indicating that a nugget effect is not pronounced; this is supported by the lack of large variations in overall grade results from adjacent intersections.

Table 5: Inferred Resource at 0.5 g/t cut-off

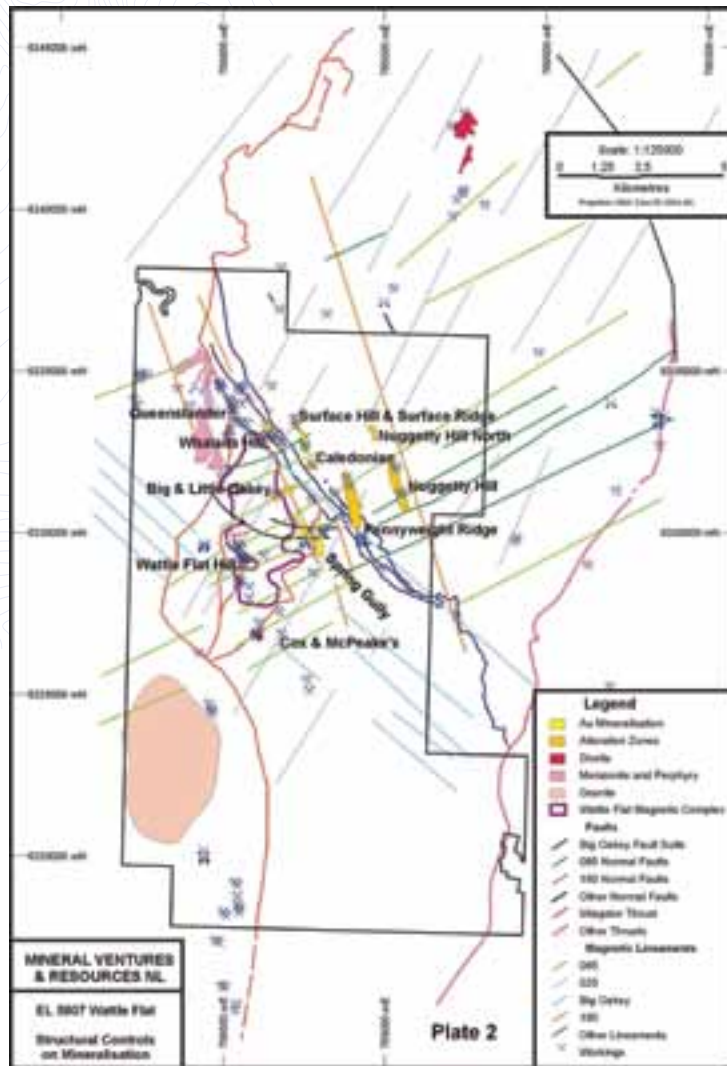
Domain	Tonnes	Au g/t
Upper Zone	360,000	1.1
Sub-Thrust Main	3,900,000	1.0
Sub-Thrust Lower	360,000	0.8
Total	4,620,000	1.0

To provide an indication of the potential stripping ratio from an open pit operation, a conceptual pit was produced for an indicative stripping ratio of 5.2:1.

Plan showing areas of interest



Section 6329900 North, from Altius Inferred Resource Report 2009



Further exploration is warranted over the isolated magnetic responses in the Wattle Flat magnetic zone, that could be interpreted as plugs or inverted carrot shaped monzonite intrusives similar to plugs associated with the Northparkes and Cadia-Ridgeway porphyry systems.

Queenslander Mine

The Queenslander mine occurs within a thrust zone intruded by diorite dykes, along and adjacent to the thrust planes. The margins of the dykes are frequently associated with brecciation and shearing of the surrounding rocks, within the thrust zones. The diorite has locally been altered to clay minerals, and was for many years identified as a monzonite. Associated with the alteration are stockworks and veinlets of quartz, carbonate and sulphides with free gold and gold incorporated within the sulphide lattices. Gold also occurs disseminated within the altered diorite.

Previous work in the mine area has amounted to several million dollars and resulted in the generation of an underground mining target in a thick altered diorite. Previous trenching, mapping and auger drilling programs followed by further drilling, intersected a thick mineralised zone within the diorite. This zone, with a true thickness of between 7.8 and 13.4m returned assays of between 3.4 and 5.9 g/t Au, and occurs at the base of one of the diorite dykes. It has been intersected down dip from the mine in QDD002 and further down to a depth of 130m below surface in QXD001. Northwards the

mineralised horizon is found in QDD003 as a 1.34m. (1.2 m. true) intersection returning 52.2 g/t Au. The current interpretation by Altius suggests that this is close to the northerly limit of the mineralised dyke.

The main gold intervals from previous drilling were:

QDX001: From 214 to 231m; 17m with an estimated average of 6 g/t Au

QDX002: From 74 to 83m; 9m with an average of 4.5 g/t Au

QDX003: Two highs, a point high of 52 g/t Au at 86 m, and a 4m zone from 138m, with an average grade of 2.5 g/t Au.

Further drilling is warranted south of QXD001, and under QDX003.

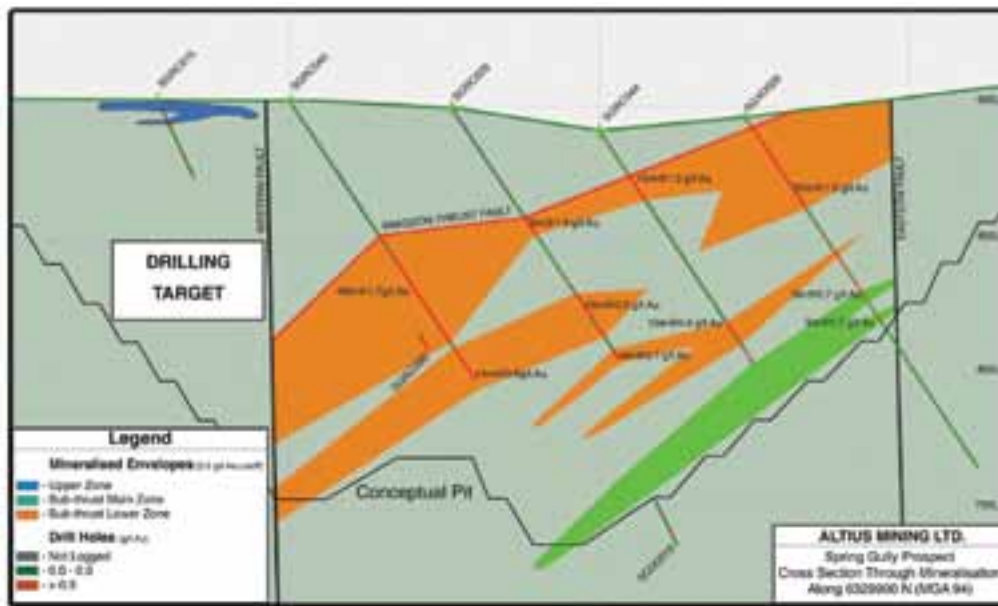
The mine represents an interesting target for testing down dip and along strike in both directions to test for further gold intersections and geological continuity.

Proposed Exploration Program

The exploration program over the Sofala tenement will focus on the two known deposits at Spring Gully and the Queenslander.

At Spring Gully the existing model shows the ore body terminated to the west by a fault. This has not been confirmed by drilling and IP data indicated a continuation of the sulphide rich ore zone dipping at 30° west. Also there is the potential to extend the shallow portion of the ore body to the south. The current shallow RC drilling pattern is on a 100m grid, with some 50m infill. To prepare a JORC compliant inferred resources infill drilling will be carried out by Altius.

The Queenslander ore body is open to the south, and current drilling indicates that the monzonite intrusive (6.0 to 9.0 g/t Au) exposed in the open pit could extend to depth and to the south. The drilling program will focus on mapping the extent of the monzonite intrusive.



GOWULMA-GUNNERS EL7036

Introduction

The Gowulma-Gunners EL of 402 sq. km, is in the central part of the Lachlan Fold Belt. The Yeoval District, partly included to the north, with about 60 known copper-gold mineral occurrences (old mines), is well known as a porphyry-style area and the tenement was taken up to include a gravity low that indicates possibly similarities to the Northparkes deposit.

Previous Exploration

Some sixty workings are known in the district, and a number of these occur within the tenement. The main vein worked historically was Corkers Reef and although the vein itself was worked out, the structure it followed was thought to be prospective for at least a further 1300t (underground mining) at a grade possibly as high as 25 g/t Au. Later drilling however failed to intersect the reef. Other mineralised areas include:

Dilga Creek (Gowulma) Prospect; an area where copper (Ag/Au) and quartz veining has been worked by seven shallow shafts and an open cut.

Gunners Dam (Southern Cross and Corkers) Prospect. Opened in 1890 with surface gold values of 7 oz/t.

The Doonkuma North (vein Cu) and the Doonkuma Vein (Cu-Au).

At least 18 companies as well as a number of individuals have explored in the general area, looking either for extensions to the known workings or more regionally for porphyry copper/gold, tin, tungsten, and molybdenum. Company work includes CRA Exploration Pty Ltd; BHP Minerals Ltd and Australian Anglo American Ltd. (Anglo). Anglo carried out Crone EM traversing, ground magnetics, IP and soil sampling and drilled four percussion holes to test geophysical targets without success.

Boomalli Ltd undertook geochemical surveys including anomalies Hill 4S, Foxhill, Suntop and Gunners Dam. Chip samples of mullock at Suntop gave encouraging spot assay results of 1.5-2% Cu, and up to 0.4% Pb and Zn. Mineralisation at Gunners Dam included chalcopyrite, sphalerite, galena, pyrite, gold and silver, exclusively in quartz veins. Hill 4S is of Silurian marine sediments intruded by granite and granodiorite, and with quartz veining with pyrite, chalcopyrite and some gold and silver.

Geology and Mineralisation

Devonian granite and granodiorites of the Yeoval Batholith Complex are present. East and north of the intrusive complex are Silurian and Devonian volcanics, limestones and other sedimentary units. Mineralisation appears to be localised within the Yeoval Complex.

The most common type of mineralisation is chalcopyrite associated with magnetite; gold is commonly reported with copper and in most cases is contained in copper sulphide, indicating that low cost gold extraction method such as used at Cadia-Ridgeway and Northparkes deposits is likely to be effective.

Porphyry related mineralisation has been worked at the nearby Goodrich Mine (outside the EL), which is hosted by “granodiorite” that has undergone metamorphism and alteration. Other nearby structures host similar mineralisation.

A magnetic interpretation in 2006 covers portion of the EL. This was derived from the 200m line spaced open file airborne magnetic data flown by AGSO in 1991 and by Geotrex in 1987 for BHP Minerals. The magnetic signature of the Yeoval District appeared to be similar to that of other porphyry copper-gold districts such as Escondida and Northparkes, where mineralisation is associated with circular intrusions. The gravity data however is too wide spaced to be conclusive. The mottled pattern to the magnetics is apparently due to a large number of small vertical pipe-like stocks of porphyry with disseminated magnetite, including some stocks with potassic alteration assemblages with chalcopyrite-magnetite veins; the pattern is fragmented due to overprinting by late stage fluids (linear phyllic or argillic alteration zones in which magnetite is destroyed).

The mineralisation should be characterised by a copper sulphide – magnetite association.

A gravity low is present that indicates possibly similarities to the Northparkes area and may be caused by an intrusion into rocks with a higher density. In the case of the Northparkes and Cargo porphyry Cu-Au districts, the ore deposits are within circular gravity lows which are around 15 km in diameter. The tectonic and lithological setting of the Yeoval area is also regarded as being very similar to that of the Cadia-Ridgeway region where similar mineralisation is on the periphery of a circular gravity anomaly (as is Kaiser-Bodangra).

Just outside the EL, the mineralisation at Yeoval is described as a porphyry style deposit with magnetic highs up to 250m across, which is due to potassic alteration and magnetite copper mineralisation. There is also a strong correlation between circular topography and magnetic highs. It was noted that this type circular magnetic feature with a diameter between 0.5 and 15 km is common to porphyry copper-gold districts. The pattern is due to the large number of small pipe-like stocks of porphyry with disseminated magnetite, including some stocks with potassic alteration assemblages with chlorite-magnetite veins.

A geophysical review in 2007 mapped a new intrusive to the west and partially within the EL, now called the Obley Complex. The Complex comprises a dominant oval shaped intrusive, readily identified from magnetic and radiometric data, with three or four magnetic aureoles surrounding this intrusive. There are a number of old workings on the Complex that have been classified as intrusive related Cu-Au.

The Nallawa Complex within the EL is a cluster of at least four igneous events. These have a magnetic response similar to the Yeoval area, but with circular radiometric anomalies and coincident gravity lows. In the south-west area, a circular magnetic alteration pattern at Saddleback Point has a similar magnetic response to Yeoval and is the most prospective geophysical anomaly in the southern portion of the tenement warranting investigation.

The Bournewood area in the EL is dominated by north or north northeast, thrust faults. The magnetic data shows a series of northerly striking linear highs, correlating with outcrops of Ordovician Cabonne Group andesite volcanoclastic sandstones and siltstones with magnetite. Three old workings have been mapped in this zone, two of them classified as skarns. The Gunners North Prospect is located on a north striking magnetic linear. This linear can be traced in the magnetic data to the north as an almost unbroken formation that extends to the southern boundary of the tenement and is a priority target for field investigation.

Proposed Exploration

Principal Targets include Gunners, Higgins and Hills mines. There are ranges of mineral styles in the tenement from rich quartz veins at Gunners and interpreted porphyry, to possible skarn related bodies at Doonkuma.

The regional magnetic data has defined responses associated with Gunners, and Doonkuma and has defined numerous structures associated with the mineralisation that warrant further investigation. A detailed low level magnetic survey will be carried out to accurately map these structures.

HUNTINGFIELD EL7046

Introduction

The Huntingfield EL of 612 sq. km, is in the Murray Basin and south of Broken Hill, one of the world's great mining fields that spawned BHP-Billiton. It is located directly east of Radium Hill and Honeymoon Uranium projects in South Australia and was selected after an extensive review of sedimentary basins and the surrounding basement to find suitable sites for Group 1 minerals. The EL was originally taken up because of a large radiometric anomaly in the upper part of Eocene Renmark Beds plus the EL's proximity to South Australian mines and deposits.

Geology and Mineralisation

The only previous work was for uranium in the Renmark Beds. The area is covered by Quaternary sediments but is located over a flexure in a linear magnetic trend and interesting basement structure. The underlying formations can be traced to the northeast and exhibit folding and faulting. The gravity data indicates that no granite is present.

The tenement is prospective for iron pisolites, nickel, and porphyry copper-gold type deposits. Inco Mines Ltd/Vale Joint Venture hold adjacent ground over a southwest striking magnetic and gravity trend that, with a coincident gravity high, cuts the corner of the EL. The anomaly is related to the Kars ultrabasic belt that is prospective for nickel sulphides. Similar large layered mafic-ultramafic bodies have also been identified under cover southeast of Broken Hill.

The nearby area also contains copper and gold anomalies located over a flexure in a linear magnetic trend and basement structure. The geophysical data over the northwest sector of the tenement shows a zone of drainage anomaly related to accumulations of iron pisolites that can be a source of iron ore.

Recent Exploration

Regional geophysics indicates that the tenement sits astride the Kars gravity and magnetic feature that extends several hundred kilometres to the northeast with numerous cross cutting structures, strike slip faults, and pull apart system, which could be associated with nickel mineralisation. In 2009, Altius commissioned Thomson Aviation to complete a high resolution airborne magnetic and radiometric survey over the tenement to map these structures. The work defined six areas within the gravity and magnetic zone, (M1-M6) for immediate follow up and located extensive iron (pisolite) channels as expected.

Anomaly M1 is located on an extension of the Vale-INCO nickel belt. Coincident with this belt there is a gravity high.

Anomalies M2 to M6 are located on a possible fold belt.

Proposed Exploration

The proximity to Broken Hill deposits, and more recent nickel and base metal discoveries in western NSW, makes this an interesting area and the complexity of the basement based on the magnetic data, allows for a wide range of mineral styles.

WAMBOYNE EL7045

Introduction

The Wamboyne EL of 330 sq. km, shares its perimeter with the Cowal Gold Mine (250,000 oz Au per annum). Exploration targets include:

- Magnetic low Gidginbung - type epithermal gold in andesite (high sulphidation gold),
- Magnetic high signature Peak type deposit,
- Cobar polymetallic deposits, and
- Quartz-carbonate gold associations that have little surface expression.

The geology includes Ordovician Girilambone Group (Og) and an un-named ultramafic intrusive. These are overlain by Devonian Mulguthrie Formation and the Silurian Ina Volcanics and Burcher Greywacke that have been intruded by the Silurian Billys Creek Granite. The propylitically altered andesites are the main target host rock for gold mineralisation.

The prospective Gilmore Suture and its eastern limb can be traced northwesterly across the area. In the northern part of the Gilmore Suture the structure splits, and there is a complex set of sub parallel and splay faults. It is likely that the Billys Creek intrusion caused uplift of the Girilambone, and deformation of the Gilmore Suture with intense fracturing east of the Burcher complex fault zone. These fractures are favourable sites for mineral deposition and numerous mineral occurrences are known on these faults to the south of the EL. The most prospective portion of the structure is included in the licence area.

The Gilmore Suture and its splays are on a trend that extends through Lake Cowal. This mineralised zone contains a number of projects localised along its length, from Adelong to the Byrock area and rivals the Black Hills/Broad Arrow/Paddington Zone in W.A. with numerous gold projects.

Historic diggings are present that are associated with manganese stained quartz veins. These may be indicators of potentially significant gold associated with quartz-carbonate veining such as is found in many major gold deposits including Porgera and Misima. Vein carbonate can be weathered away leaving a manganese residue and an area often devoid of outcrop that attracts little interest from explorers.

Previous Work

The Olafs, Hilders and Western Middlevale workings are located on the EL and manganese is present that can represent weathered remnants of carbonate-rich mineralisation, but it was of no interest to past explorers who relied on geophysics (airborne magnetics and in one case EM) to define the targets. Samedan however, who used systematic ground traversing and rock assays, discovered the Olafs lead-zinc mineralisation, which they drilled but did not assay for gold.

The main exploration was conducted by the following companies:

Central Pacific (1971), who carried out airborne magnetic and radiometric surveys and ground investigation of anomalies searching for Cobar and Captains Flat type high grade lode ore bodies.

Samedan / Getty (1975 - 79) using the same methods explored the sheared curvi-linear magnetic features on northern sector of EL. They located Olafs prospect (a lead gossan, with a best drill intersection of 11m x 2% (Pb+Zn) in a shear zone. They also found gossanous outcrops but did not assay for gold.

Seltrust/BP Australia / Paragon Gold (1984 - 1986), were interested in the Gilmore Suture and Olaf's mineralisation. Ten holes were drilled in a magnetic low without success. They did not assay for gold.

BP Australia flew an aeromagnetic survey but there was very little field follow-up. The magnetics were re-interpreted by Shell (1987 - 1989), who drilled 33 auger holes over an IP anomaly with no success.

Geology and Mineralisation

The Ordovician Lake Cowal Volcanic Complex is in the southeast sector of the EL. The splays off the Gilmore Suture and other parallel structures are likely to contain mineralisation in the style of Cowal Gold Mines adjacent to the south. The deposit, a possible collapsed caldera, shows up in the digital elevation as a near oval shaped depression and radiometric low.

Over 30 km of the Gilmore Suture lies within the EL where splays and subsidiary thrusting and intersection of cross-cutting structures add to the structural complexity and prospectivity of the tenement. Where the structure splits, there is a complex set of sub parallel and splay faults. These fractures are ideal repositories for mineral deposition. The most prospective portion of the structure is included in the licence area.

A circular gravity low lies within the EL similar to that at Northparkes where a distinct circular (15km diameter) gravity low underlies the cluster of porphyry copper ore bodies and surroundings. A similar 15 km circular diameter gravity low also underlies Escondida porphyry copper-gold district in Chile, indicating a geological & geophysical correlation between Chilean and NSW porphyry copper provinces.

Proposed Exploration

Previous work at Wamboyne has not been effectively followed up, especially for gold, which was not always tested. The prospects all display characteristics associated with significant gold deposits such as Cowal. The conductive ringed anomaly A1 is coincident with a splayed fault that forks from the main fault, this zone is highlighted as being a priority for drilling.

Exploration targets at Wamboyne include untested magnetic low signature, Gidginbung-type, epithermal gold in andesite (high sulphidation gold) and magnetic high signature Peak-type deposit (high sulphidation gold), and Cobar style (polymetallic Au and Ag). Propylitically altered andesites replaced by chalcedonic silica is the host rock. This strong regional, magnetic, volcanic complex with faulting, has potential for gold deposits that can be followed up with gravity and aeromagnetics to highlight prospective structure that lies under cover at Wamboyne.

There is a close relationship between gold and manganese carbonate in veins, which is seen in Porgera, Misima, and Wau - Eddie Creek - Hidden Valley. At Lake Cowal gold mineralisation is associated with carbonate (ankerite) - quartz - sulphide veining. Vein carbonate is dissolved in weathered oxidised zone and can leave only a residue of black manganese oxide so that outcrop is poor. (Abundant gold in alluvials led to discovery of the PNG deposits). In flat areas with no drainage like the Wamboyne tenement a carbonate vein gold deposit would not be obvious, especially if there was little quartz. There is a possibility of major bulk low grade open cut gold deposits occurring in areas with small historic diggings. The principal targets are Olaf's, Hilder's, the Gilmore Suture, the coincident Northparkes magnetic/gravimetric anomaly, and EM anomalies in western sector.

The tenement sits astride the Gilmore Suture, and major splay to the east, warranting detailed mapping. There is a gravity low associated with the splay, and this is interpreted as a possible repeat of the Cowal intrusive. The proximity to the Cowal deposit makes this a primary target. The known mineralisation at Olaf's and Hilder's on this EL warrants investigation and shallow testing.

The regional magnetic data defined responses associated with the Gilmore Suture and the splay to the east and also defined numerous cross cutting structures associated with the mineralisation warranting further investigation. A detailed low level magnetic survey, as outlined in the general comments, has just been completed to accurately map these structures but no detailed interpretation has yet been carried out. In the north of the tenement there are two INPUT features warranting further investigation. These would initially be tested by ground EM surveys.

KARANGI EL 7332

Introduction

The Karangi EL of 290 sq. km, is located in the Coffs Harbour hinterland in northeastern NSW. Included in the area are possibly 100-150 old gold workings, including the Mt Browne (Cu, Pb, Zn, Au and Ag) deposit. It includes the Orara and Coramba gold fields. The principal workings are Mt Browne, the Beacon Group and the Illabo Mine.

The average grade in the 1880s up to 1914 for the area is recorded as 34 g/t gold recovered, not easy to achieve when the stamp battery system recovery of gold was as low as 50%. A total of 31,500 ounces from 27,287t was recorded as produced from the major mines. In addition, a probable 5,000 to 6,000 ounces of gold came from the alluvial deposits formed in the drainages off the mines. At least two of the alluvial deposits were classified as having dredging potential.

There are no proven resources within the areas, but the production results from the old mines represent an effective bulk sample and are a guide to the potential of the area. There are reports of multiple reefs and old studies refer to ore zones much wider than the individual reefs, which are shear zones carrying quartz veins. Since the shearing has been confirmed as pre-gold mineralisation, these zones may well carry gold values but were never seriously tested by the miners who concentrated on the high-value quartz reefs. Low grade open cut material may be present, especially if the sedimentary host rocks have been fractured and mineralised to form a stockwork. Some of the richer veins may also lend themselves to slot mining with an excavator which would also expose the reefs for further sampling.

Geology and Mineralisation

The EL is within the Coffs Harbour Block of Late Carboniferous age. The eastern side of the known Auriferous Zones is confined by the Coramba Beds and the Western side of the Brooklana-Beds. The main differences probably relate to greater or lesser proportion of sandstone in the rock-composition. Both rock types are sedimentary but in the Brooklana Beds disseminated gold deposition-is more confined to the sandstone rock type with gold present in smaller quartz veinlets regularly distributed so as to offer more obvious potential for bulk mining. In the Coramba Beds, gold is consistently richer within relatively wider quartz reefs, mostly hosted by-shales and schists.

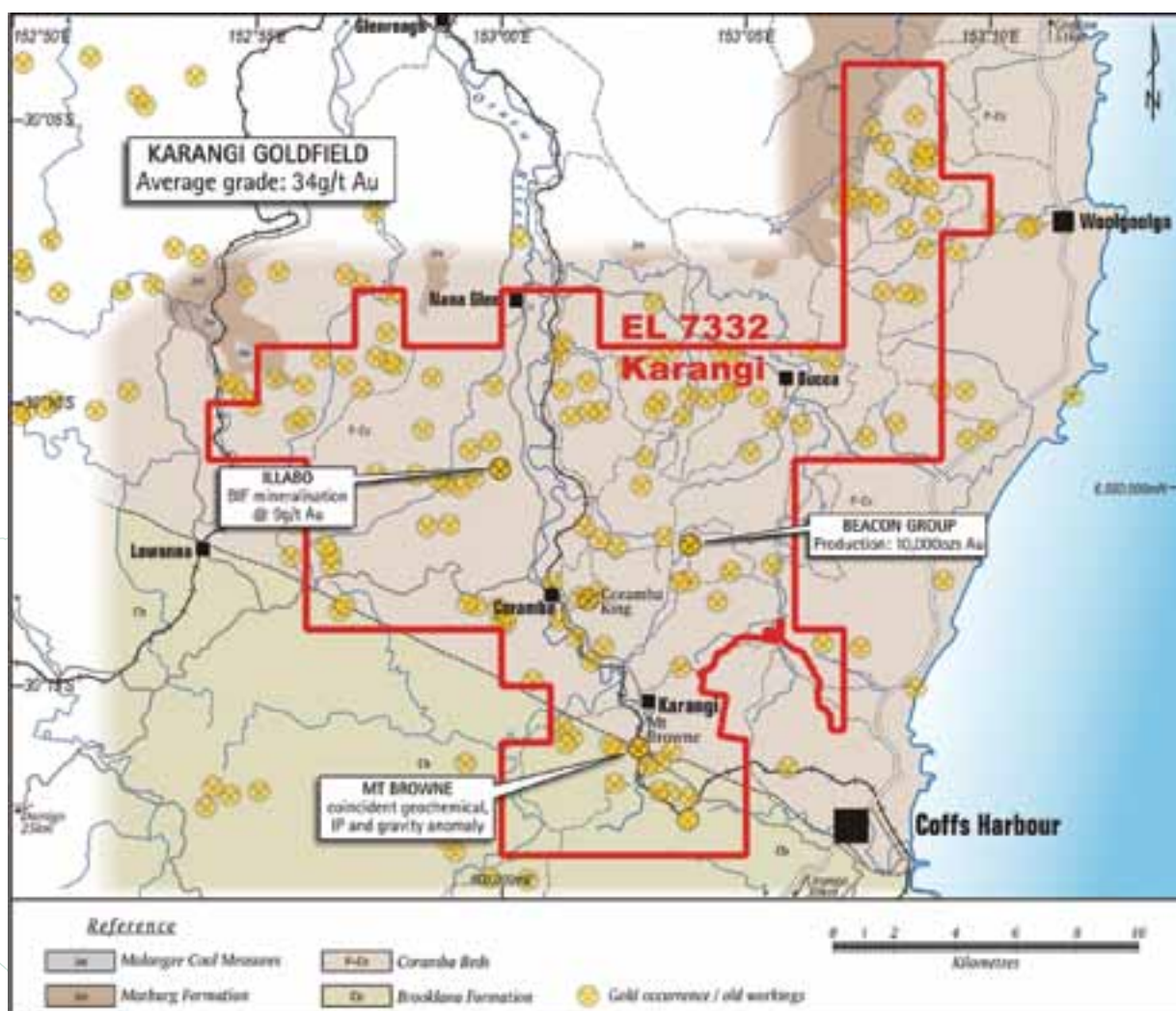
These quartz reefs were the target for early miners with more than 100 working sites recorded as-being mined from 1881 onwards. The whole of the Coffs Harbour block has been subjected to intense-volcanism and metamorphic activity with subsequent folding, faulting and shearing.

Both goldfields have been classified as having much of the shearing prior to the ascending gold-mineralisation. The consequent developed cracks and fissures from the shearing-process provided avenues for gold deposition on a wide spread basis, which may include bulk low grade targets as well as high grade reefs.

The area is part of the Coffs Harbour Block. The major structures in the area adjoining the coast strike north-northeast. Only one igneous intrusion has been mapped in the area. The regional gravity data, and the circular satellite features, indicates that there are further granitic bodies at depth towards the coast. These granites are still roofed by the Brooklana Formation and the Coramba Beds, and represent the probable source of the hot hydrothermal fluids that are manifest at surface as gold rich veins.

In two areas, Mt Browne and the Beacon Group of mines, quartz-magnetite bodies form oval shaped complexes. These are interpreted as magnetic aureoles surrounding deeper igneous intrusive bodies. Ground surveys in this area show the magnetic formations are quartz-magnetite BIF and/or pyrrhotite. The quartz-magnetite bodies form oval shaped complexes interpreted as magnetic aureoles surrounding deeper igneous intrusive bodies and ground surveys showed the magnetic formations were quartz-magnetite BIF and/or pyrrhotite. These are far more extensive than the surface expression. The ground magnetic survey needs to be extended to map the extent of the BIF formations and to assist in mapping the strike and dip.

Areas of interest showing gold occurrences as yellow circles.



MT BROWNE

Mt Browne was worked initially as a gold mine but later produced copper also. It last closed in 1975. Production records from this time show ore grades of 12.2% Cu, and 4.3 g/t Au (1907), and 8.4% Cu and 2.7 g/t Au (1972-73). Quartz-magnetite (BIF), siliceous mudstone, cherty slate and tuffaceous sandstone were mapped underground. The quartz-magnetite and pyrrhotite are the likely source of the magnetic anomaly over the area.

The deposit has been subjected to a number of exploration programs, and there are numerous un-explained magnetic, IP, gravity, and geochemical anomalies in the area warranting further investigation. Mt Browne is the only prospect to have been drill tested. The drill holes were specifically to test copper mineralisation under the known workings. The major mineralisation is high-grade chalcopyrite with gold and silver values strongest in the oxidized zone but persist at depth.

Detailed geophysical interpretation shows Mt Browne is located on the northern flanks of the magnetic complex

	From (m)	To (m)	Interval	Grade
D.D.H. K 2.2	2.12	8.48 =	6.36m of	5.2% Cu
D.D.H. K 2.8	6.06	14.36 =	8.3m of	4.5% Cu
Including	6.06	7.88 =	1.82m of	5.7% Cu
	7.88	8.91 =	1.03m of	13.1% Cu
	8.91	14.36 =	5.45m of	2.5% Cu

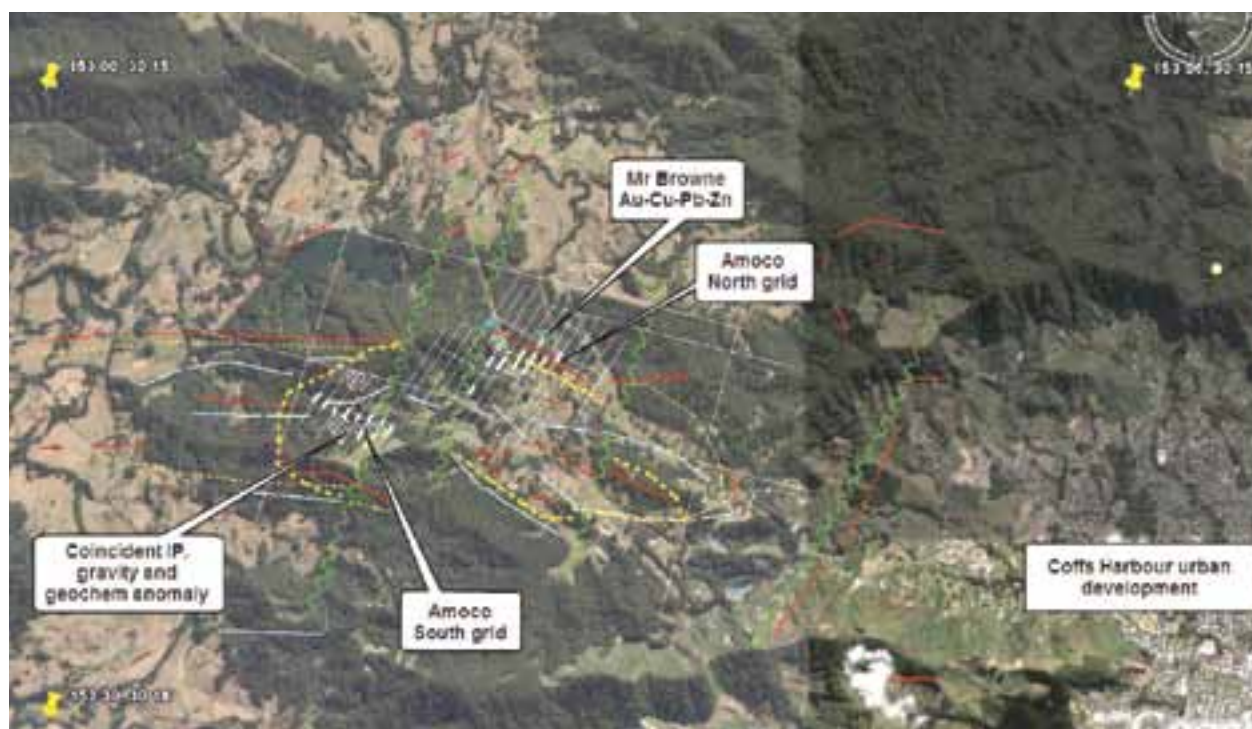
Rock chip sampling indicated that gold mineralisation was widespread and samples from two quartz-magnetite horizons, assayed from 0.4 ppm to 5.1 ppm Au. An IP anomaly is present that warrants drilling, as there are anomalous copper, mercury and gold in soil values on this trend.

Beacon Group Workings

The Beacon Group, 5 km East of Coramba, has by far the greatest concentration of workings with 10,169t being treated for an average recovery of 33 g/t. An associated shear zone is reported as trending 250 degrees west of north and the quartz reefs have been worked to a depth of 60m along a length of 1,500m.

Quartz reefs in this area are hosted by sandstones, mudstones and green schist, and the reefs are generally thicker (up to 1.05m). The various reefs have been worked under different mining company names.

A large arcuate magnetic complex is present in the area with a number of old mines located on its northern boundary. The associated magnetics show sharp lows to the south, with gentle gradients to the north, representative of north dipping magnetic formations. This fits the model of a magnetic aureole draped over a spherical igneous intrusion and numerous pits are reported to be in the area. The magnetic data defined extensive Banded Iron Formation type responses which warrant investigation. Based on the magnetic data there is scope to locate further mineralisation at many of these old mines.



Illabo Mine

The workings are in a shear zone of 70m wide trending north and worked to a depth of 61m along a 190m trend. A total of 194t was treated and recovered 56.2 g/t, but records note that production was most likely understated. Rock type is green schist with a quartz magnetite banded iron formation.

Drilling in 1978 located a quartz-magnetite-hematite horizon which appears to be related to mineralisation. It was at least 61m deep and 9m thick x 91m strike length representing some 140,000t. One quartz leader assayed 23 g/t Au with iron and arsenical pyrites are associated with the quartz vein. In addition to the vein a prominent "blow" of siliceous ironstone is exposed and was reported to contain values ranging from 8 to 12 g/t Au."

While tonnes and overall grade are unknown, these quartz-magnetite zones are clearly prospective and magnetic surveys indicate that they are far more extensive than surface the mapping indicates.

Orara and Coramba Gold Fields

Reef gold mining began in the 1880's with some very rich quartz veins being opened up on the Nana Creek Field such as 2.4t yielding 56.25 g/t Au from the Lady Matilda. The Nana Creek reefs, of which there were 191 registered, averaged 15 g/t gold and as about 1 oz /t Au was considered the break even grade, many failed to produce much gold. The area was considered to be prospective for much higher tonnage production from open cuts that could combine a number of reefs. Small batteries were set up on some reefs but mining was hampered by steep elevations and heavy timber. Considerable alluvial gold was also recovered from the area as well.

When gold was found at Coramba in 1896 activity moved to here, although some mining continued on the Nana Creek field into the 1930's. Eventually mining spread over 500 sq. km, mostly to the north and east of the Nana workings. Government reports summarizing historical work emphasise that difficult conditions at the time, including poor transport, lack of water, low recoveries and poor access due to rugged topography and vegetation. These problems resulted in ineffectual exploitation of reefs, a condition which today is much reduced.

The Coramba mines were written up in 1893. The most important at the time included the Coramba King Reef where quartz lodes ranging from very narrow to nearly 3m wide, extended for 800m and grades averaged 1.5 oz/t. The ore was free milling with little sulphide but was expected to contain arsenic below the water table at about 150m. The mine was worked via an adit, shafts and open cuts.

Other nearby mines with similar potential include:

- The Lady Elsie Reef averaging 75 g/t Au.
- The Evening Star that was tested down to at least 20m with production apparently averaging 40 g/t Au
- Who Can Tell Reef No 193, some 250m in length with 20t @ nearly 31 g/t Au recorded.
- Bimbo 194 with 195t @ 27g/t Au recorded.
- Golden Bar Reef No 239 from 5 to 25 cm thick with 24t averaging around 21 g/t Au recorded.
- Blue Mystery Reef No 225. A small mine but up to 1m wide averaging close to nearly 3 90 g/t Au.
- Coramba Queen No 232. This 1.2m lode produced 160t at slightly more than 30 g/t Au.

Some mines appear to have excellent potential for open cut low grade gold production. These include:

- Coramba King. The mine consists of a series at least nine parallel reefs. The records show a production of 2,000t tonnes of quartz treated for a recovered grade of 46.5 g/t Au through the battery.
- Matilda Hill (ELA3485) Records quote dissemination of minerals in a sheared zone width of 85m trending 87°. Thicker quartz reefs within the zone were worked to a depth of 61m along a strike length of 250m. 710t of ore were treated for a recovery of 27 g/t Au.
- Advance Australia, where records quote a shear zone 150m wide trending 280° having been worked to a depth of 21m along a length of 110m. 124t of quartz was treated for a recovery grade of 42 g/t Au. Rock type is fine grained sandstone and green schist disseminated with gold. Reports of quartz stock-works confirm the open cut potential.
- McDonalds Reef. A mineralized shear zone 300m wide in sandstone. The mine was only worked to a depth of 10m along a length of 90m for 129t of quartz and an average recovered grade of 41.75 g/t Au. Quartz is disseminated through the shear. Just 500m to the west of this zone more or less parallel zone which is 140m wide and has workings to a depth of 34m along a distance of 120m. About 100t of ore was treated for a recovered 54.3 g/t Au from quartz reefs.

Proposed Exploration Program

- Aero magnetic covering the entire EL.
- At Mt Browne and Beacon Group ground magnetic surveys to map the extent of the BIF formations.
- Testing of the coincident IP high chargeable zone of the Amoco South grid that has elevated copper soil geochemical values.
- The two targets defined by gravity that have supporting IP or geochemical anomalies.
- Testing of the Nara Glen – Heinz Fe-Mn prospect.
- Mapping and sampling of the 100 plus old gold mines in the area.

YARRAN EL7039

Introduction

The Yarran EL of 240 sq. km is adjacent to the largest historical platinum producing region in Australia, at Fifield, and is close to areas of mainly gold mineralisation within the Girilambone Group metasediments. These are the Tullamore goldfield and the Burra gold-tin-platinum field, both probably associated genetically with buried, near-surface intrusions. Radiometric, gravimetric and magnetic anomalies have been delineated, which are related to a set of magnetite rich conical dykes. These could be associated with a deep breccia pipe with conical fractures in the roof. The Syerston Resource of 80 Mt of 0.8% Ni, shares a perimeter with this EL.

Previous Exploration

Several old prospects are within the EL. The Flemington prospect, a Ni/Co prospect was worked by BHP in 1950 and the Myuna prospect was worked for base metals in 1912. The EL is mainly on the periphery of past exploration. Black Range Metals Pty Ltd (Syerston) searched for lateritic Ni-Co mineralisation formed over Alaskan-type ultramafic intrusions. No field work was carried out due to restricted access but two areas of the 6 sq. km Tresylva Intrusive Complex, which is on the Altius EL, are considered prospective for platinum and base metals.

Rio Tinto Exploration Pty Ltd examined a coincident aeromagnetic/gravity feature which was interpreted to represent a "blind" Alaskan-type ultramafic-felsic igneous complex. Examination of previous work indicated that RAB drilling over the main anomaly had failed to achieve anything substantial and no field work was undertaken.

The Shell Company of Australia Ltd explored ground to the north, west and southwest of Tullamore for tin and tungsten of the Doradilla Skarn type. Exploration later shifted to porphyry Cu-Au. Magnetic surveys were flown and located several anomalies including the Tout and Owendale mafic-ultramafic complexes, the Gobondery igneous complex and a magnetically active andesitic pile to the east of the Gobondery Granite. Selected magnetic anomalies were further investigated. Investigation of porphyry-type anomalies located zinc values up to 1000 ppm and lead to 600 ppm at Ben Hur on Altius' EL, and anomalous copper (to 1700 ppm), lead (to 750 ppm) and zinc (to 820 ppm) at Gobondery. Follow-up drilling at Gobondery produced some interesting assays lead (up to 4800 ppm) and zinc (up to 1850 ppm) but no copper of sufficient level to warrant further work.

Geology and Mineralisation

The EL is within the Junea-Narromine Volcanic Belt, an area of generally poor exposure comprising Ordovician Girilambone Group metasediments overlain by Late Silurian to Early Devonian sediments and volcanics. South of Tullamore, along the southern boundary of the EL, Early Devonian massive dioritic to granitic intrusions outcrop, interpreted as belonging to the Looney Intrusive Complex, lying just north of the extensive Gobondery Granite, and comprising mostly diorite with some granite.

The tenement is within the north-trending zone of the Fifield Platinum Province and lies on the edge of the large ultrabasic intrusions that contain Syerston, Owendale, Fifield and Cincinatti deposits. These are Alaskan type intrusive complexes pyroxenite, hornblendite, diorite and monzonite that are associated with platinum. The Altius EL contains Fifield-style targets for distal mineralisation. The Tresylva and Gobondry targets for distal mineralisation are defined by Altius as well as zoned Alaskan type targets next to the Owendale Pt-Cu-Ni-Co resource

Adjacent to the tenement lie the Owendale, Murga and Tout Intrusive Alaskan-type Complexes. These are associated with vermiculite and platinum, and platinum has been mined from alluvium in the area. Regional aeromagnetism shows these intrusives as intense magnetic highs.

The Fifield area has attracted exploration for platinum and gold since the discovery of the alluvial leads in the 1880's. The leads were worked spasmodically until 1938 with a reported production of 20,000 oz of Pt and 6,200 oz of Au. This is the only primary production of platinum achieved in Australia. Despite concerted attempts by numerous exploration companies no economically exploitable concentrations of platinum have been reported from the source rocks. Several companies have reported very encouraging grades and thicknesses of platinum from drilling and costeaning, however the mineralisation was erratic and restricted in extent.

In 1987-88 Austplat Minerals N. L. explored the Murga Complex from which all the known platinum-rich leads in the area appear to emanate. Platinum within the area was reported to occur in several modes.

- Primary platinum, with one or more host stratigraphic units.
- Primary platinum associated with late stage volatile magmatic processes possibly enhanced by contamination of country rock fluids.
- Near surface eluvial concentrations in the weathered bedrock overlying either or both of the first two types.

A structural interpretation over nearby areas by Altius was derived from the 200m spaced airborne magnetic data flown by Shell in 1981. Regional 400m spaced airborne magnetic data was also incorporated to provide greater coverage for additional geophysical interpretation. The EL surrounds two major geophysical anomalies, the Kelvin Grove and Fifield magnetic and gravity complexes. These have been explored as platinum deposits, but a wide range of minerals have been reported.

The area naturally divides into two regions, the Tullamore-Gobondry Mountain area to the east, and the Girilambone Group to the west. The former are a relatively magnetic group, bounded to the east by a series of thrust faults and younger sediments in the Tullamore Syncline. These formations show in the magnetic data as a series of northerly striking beds, cut by numerous north-east striking faults. In comparison the Girilambone Beds to the west are relatively non-magnetic.

Three intrusions into the Girilambone Beds have been interpreted from the magnetic data and have coincident gravity highs except for Tresylva, suggesting that Kelvin Grove and Fifield are of basic material, associated with conical fractures, or layered intrusives. Tresylva is an igneous body whose magnetic anomalies are probably contact aureole responses.

The eastern part of the EL is magnetically active and covers a recent intrusion (the Gobondry intrusion), that warrants investigation by Altius. Skarn type mineralisation has been reported along the contact of this igneous intrusion with the limestones and a polymetallic vein was worked at Allandale Mine on the same contact about 3 km north of the Yarran tenement boundary.

In the west of the EL the Tresylva intrusive has a distinctive gravity low, and has an almost circular closure in the magnetic data. There is an old copper working on the south-west corner of the intrusion, and a disseminated W-Mo vein working to the east. The margins of this intrusion warrant further investigation.

North of the Tresylva intrusive complex there is a group of small amplitude isolated magnetic dipoles. Although smaller is amplitude than the magnetic anomaly at Elura, they could be classified as an Elura type response.

Proposed Exploration

The main targets are the Owendale, and Kelvin Grove equivalent ultramafic bodies and the Ben Hur mineralisation

The regional magnetic data defined numerous structures associated with mineralisation warranting further investigation. A detailed low level magnetic survey, as outlined in the general comments, will accurately map these structures.

Two major circular structures require interpretation to relate them to adjacent mines and deposits and detailed geological and geochemical mapping is required of the known mineralisation at Ben Hur, and the west of the tenement. Detail magnetic mapping will be carried out required where ultramafic bodies extend onto the tenement.

HONEYBUGLE EL7041

Introduction

The Honeybugle EL of 267 sq. km is located within the Fifield Platinum Province, northwest of the lateritic nickel-cobalt-platinum deposit at Syerston which contains a reserve of 80 Mt at 0.73% Ni and 0.13% Co with platinum credits. The EL covers a large ultramafic complex with potential for both nickel sulphide, nickel laterite and PGE.

Previous Exploration

Early exploration dates from 1880 to 1929. More recent company work commenced with Anaconda Australia Inc. in 1967 and Australian Hanna Ltd 1969. Known old workings on this EL and adjacent prospects include:

- The Honeybugle copper prospect which also carries gold and silver and has produced values up to 2.6% Cu, 0.17 ppm Pt and 0.5 g/t Au.
- The Honeybugle North workings, on an ironstone outcrop in weathered ultramafics. RAB sampling averaged 0.54 ppm Pt over a 20m wide zone.
- Yarran Park in weathered pyroxenite. A costean across a magnetic anomaly here revealed 194m x 0.34 ppm Pt, including 2m x 17.61 ppm Pt and Ni up to 1,700 ppm. RAB drilling gave a best intersection of 8m x 0.5 g/t Pt.
- Mallee Valley, where RAB drilling intersected 8m x 0.53 g/t Pt.

Previous work by exploration companies, principally by Helix Resources and North Broken Hill, has partially tested the intrusive. The main explorers include:

Lachlan Resources NL who covered part of the Honeybugle ultrabasic complex, which they considered prospective for PGM. Extensive ground magnetic surveys were carried out over previously identified magnetic targets. With bedrock at greater than 60 -70m depth a testing program involving percussion and/or diamond drilling was carried out. Of 16 targets, six were tested by RAB drilling but only two were considered to have been tested satisfactorily. Further RAB and diamond drilling was planned but not carried out. These targets remain to be tested.

Helix Resources NL. covered the north eastern part of the Honeybugle Intrusive Complex. Aeromagnetics indicated that the Complex covers an area of 26km by 5 to 8 km and drilling indicated similar rock types to other Alaskan-type intrusions in the Fifield Belt. Pyroxenites generally occur more commonly at the magnetic highs. Depth of weathering was generally 20 - 40m.

Two costeans were dug, one at Seaford and one at Yarran Park. A 194m wide anomalous zone at Yarran Park averaged 0.16ppm Pt (excluding a spot high of 17.61ppm) with Ni up to 1700ppm. 45 RAB holes tested the four anomalies with the most significant assays coming from Seaford with up to 0.61 ppm Pt and 1.33ppm Pd. Anomalous platinum was intersected at all four anomalies and all anomalous drill holes bottomed in pyroxenite. Infill costeans at Yarran Park, Seaford and Woodlong gave three results from three different costeans that showed greater than 1 ppm Pt. 103 RAB holes tested Yarran Park and Mallee Valley also but with no significant results. They noted that high grade PGE mineralisation was more likely to be found in olivine dominant units, none of which were located at Honeybugle. Lateritic mineralisation was of limited extent and low grade in the investigated areas.

North Broken Hill Ltd searched for magnetic sulphide mineralisation. Geochemical sampling and auger drilling was carried out in four lines across the Honeybugle Complex. Exploration failed to define any sulphide or lateritic mineralisation. The lithologies of the Complex were believed to be too amphibole rich, olivine poor to hold potential for mineralisation.

Geology and Mineralisation

The EL covers the intrusive ultrabasic rocks of the Ordovician Honeybugle Complex, which is one of a series of intrusives located within the Fifield Belt that lies adjacent to a major zone of crustal weakness within the Girilambone Anticlinorial Zone. These Alaskan –type intrusive complexes stretch in a northerly direction for some 180 km and within them a number of platinum prospects have been worked in the past. The belt is regarded as a platinum, copper and nickel province with associated silver and gold. Ordovician Girilambone sediments and volcanics comprise the main geological unit.

The complex trends northwesterly, mostly under deep cover (90-120m). An E-W layering is evident and near vertical dip and rock types include monzonite, gabbro, hornblendite, and pyroxenite. About 20% of the intrusive is ultramafic material such as pyroxenite, prospective for platinum and nickel.

The aeromagnetic response of the Complex indicates that it covers an area some 26 km long and 5 to 8 km wide, most of which is in the EL. The platinum is disseminated in some of the host rock units. Coincident with the magnetic anomaly is a gravity high. Similar gravity responses outside the EL match the Fifield (Tout) and Kelvin Grove (Owendale) to the southeast.

Structures relevant to possible mineralisation have been identified during the geophysical interpretation. There are possibly three intrusive centres on the Honeybugle complex, the north-west centre, coinciding with the Honeybugle workings is poorly defined as a magnetic body, with only one partially formed conical ring dyke. Over the centre of the complex there are at least three ring dykes. On the southeast end of the complex there is a less well defined linear rather than conical intrusive. The strongest gravity anomaly is located over the central oval shaped magnetic anomaly.

Proposed Exploration

The Honeybugle tenement covers part of the ultramafic complex that is classified as equivalent to the Owendale and Kelvin Grove deposits. The regional magnetic data defined responses associated with the Honeybugle ultramafic body and also defined numerous cross cutting structures associated with the mineralisation warranting further investigation. A detailed low level magnetic survey is planned to accurately position these structures and define drill targets.

BEEHIVE EAST EL7159

Introduction

The Beehive East EL of 165 sq. km is within the Lachlan Fold Belt and includes a coincident magnetic and gravity anomaly similar to the Yeoval area, 25 km to the south and also to the Northparkes mine. The road and railway south of Dubbo to Wellington NSW passes to the east of the tenement boundary. There is also a secondary disused railway line crossing the tenement.

The discovery of the Wyoming gold deposit west of Beehive East has demonstrated the potential for larger lode-type mineralisation hosted within the same Ordovician volcanic stratigraphy. Mineralisation at Wyoming is in contrast with that at Peak Hill located 12 km to the south which is high sulphidation epithermal style.

Previous Exploration

Work in the general area was carried out by Homestake Australia Pty Ltd in 1990, who looked at the contact between the Yeoval Granite and the Ordovician andesitic volcanics and clastic sediments, that was considered to be prospective for porphyry style and skarn mineralisation such as the nearby Beehive skarn deposit where most of the work was concentrated.

Geology and Mineralisation

Recent regional interpretation by the company indicates that the formations which host the mineral occurrence to the west can be traced in the magnetic and gravity data, extending to the east onto the Beehive East tenement. The tenement includes a large portion of the Devonian, Yeoval Granite that intrudes Ordovician and Silurian sediments.

The magnetic data shows a circular, or curvilinear, magnetic anomaly across the southern portion of the tenement. The circular magnetic anomaly is interpreted as the Yeoval granitic intrusion, the circular magnetic anomalies being a magnetic aureole surrounding the granite. The gravity data shows a “Y” shaped high correlating with the mineralized Beehive trend, one gravity high wrapping round the Yeoval Granite.

The Yeoval Granite appears to intrude or underlie much of the Beehive East Granite. The formations that host the mineral occurrences west of the EL can be traced in the magnetic and gravity data, extending onto the Beehive East tenement. The coincident magnetic and gravity anomaly has similarities with the Yeoval area, 25 km to the south and with the Northparkes Mine to the southwest. This curvilinear feature is a magnetic aureole surrounding the granite.

Exploration of the contact between the granite andesitic volcanic and clastic sediments indicates that they are prospective for porphyry style and skarn mineralisation such as the nearby Beehive skarn deposit, opening up further mineralisation possibilities.

Altius has located at least six trachyte pipes similar in form and geophysical characteristics to those in the Toongi, Zirconia Project adjacent to the northern perimeter of the Beehive East EL. This deposit, containing a Measured Resource of 36 Mt @ 2% ZrO₂, 0.04 HfO₂, 0.5% NbO₅, 0.03% Ta₂O₅ and 0.8% other rare earth oxides, is associated with a hydrothermally altered and laterised alkali trachyte pipe of Jurassic age.

Proposed Exploration

Targets: The regional radiometric data defined a coincident uranium and thorium anomaly which has the same response as the Alkane zirconium and rare earth deposit in trachytes. A recent (Oct 09) survey to the west showed that these trachytes were more extensive than mapped and that there are repeat trachyte pipes in this area.

The regional magnetic data defined responses associated with the Yeoval Complex and also defined numerous cross cutting structures associated with the mineralisation warranting further investigation for copper and gold potential. A detailed low level magnetic and radiometric survey will accurately map these structures, and also the known trachyte pipes.

BULLAMALITO EL7195

Introduction

The Bullamalito EL, of 363 sq. km, is in the Lachlan Fold Belt and located south of Goulburn, NSW. It is approximately 20 km north of the Woodlawn lead-zinc deposit. The area was selected based on magnetic, radiometric and gravity data over a known porphyry system.

Previous Exploration

A number of companies have explored in the general area: Ajax Joinery Pty Ltd, 1988, held ground that covered the faulted contact between Ordovician sediments and Early Devonian acid volcanics and sediments. The fault contains the Carrington iron-silver-gold deposit and there are several small iron deposits in the adjacent Ordovician sediments. No work was undertaken except for a literature search.

Norgold Ltd, in 1988, carried out a reconnaissance stream sediment program however they found little of interest. PlatSearch NL, 1993 carried out a detailed aeromagnetic survey to search for massive sulphide mineralisation associated with magnetic anomalies. The survey delineated a large number of discrete bullseye type magnetic anomalies which could represent mineralisation but no further work was done. In 1997, PlatSearch completed a detailed aeromagnetic survey that delineated a large magnetic complex with northwesterly trending linears. Follow up mapping and rock chip sampling indicated that it was unlikely that a near-surface mineralised porphyry system or caldera exists in the selected areas.

Geology and Mineralisation

The tenement is in the eastern portion of the Lachlan Fold Belt. The geology includes north –trending Silurian and Devonian acid volcanics that unconformably overlie Ordovician metasediments. The volcanics are part of the northern Captains Flat trough.

The area selection was based primarily on the magnetic data that shows a circular magnetic anomaly with multiple rings correlating with a mapped porphyry system. The circular feature is also represented in the radiometric data, plus there is a relative gravity high correlating with the centre of the circular magnetic feature.

Comparing this circular shape with the geology, the mapping showed a layered system dipping to the west, with no feeder or vent. The magnetic data suggests that this is not a layered system but the core of a collapsed caldera, the porphyry zone being in the core.

The gravity data shows good correlation with the circular feature. This is interpreted as andesite in the core of the volcano, the top altered zone having been removed by weathering. To the east of the circular magnetic feature there are polymetallic, and iron occurrences. The Woodlawn mine is described as a volcanogenic massive sulphide, but there is no obvious source rock for the volcanism. This circular magnetic feature could have been the volcanic vent that fed the system when the Woodlawn deposit formed.

Proposed Exploration

The tenement appears to be located over an interpreted collapsed caldera in the Woodlawn Volcanics. If this is the case then the caldera may have been the source of the Woodlawn Formation. There is a gravity anomaly associated with the caldera and a bedrock INPUT conductor was located on its south side that was not followed up. The possible mineralisation could include VMS deposits, or late stage igneous intrusions during the waning stages of volcanism.

The regional magnetic data defined responses associated with the aureole surrounding the intrusive and also defined numerous cross cutting structures associated with the mineralisation. A detailed low level magnetic survey will be carried out to accurately map these structures.

MOOCULTA EL7082

Introduction

The Mooculta EL, of 225 sq. km, covers a major northeast trending structure and an interpreted granite intrusion on its southern side in contact with Ordovician Girilambone Group sediments. Four areas of delineated polymetallic mineralisation have been located along the contact zone.

The Geological Survey recently interpreted a volcanic arc structure extending through the EL and to the northeast within Ordovician Warraweena Volcanics, similar to Cadia. Near here, Newcrest drilled two separate mafic volcanic units of calc-alkaline to shoshonitic affinity, subduction rift related. This enhances the mineral potential, especially under cover sequences about 100m thick, which have been largely ignored during exploration. Specifically, it opens up the possibility that there are porphyry-epithermal to mesothermal vein and skarn style mineral system beneath cover with potential for gold, copper (molybdenum and silver) mineralisation.

Previous Work

Several base-metal prospects are within the EL with combinations of lead, zinc, copper, tin and molybdenum; these include:

Mackay's Tank Prospect. Cu (Sn). The prospect was located by drilling for contact aureole deposits. A single percussion hole penetrated weathered biotite granite and returned from trace to values of up to 1,800 ppm Cu. Anomalous tin was assayed in the sludge sampling. A major Sn + Zn discovery was recently made to the south at Doradilla.

Preussag Australia Pty Ltd and North Broken Hill Ltd held ground over the current tenement area (1981-82) because of the discovery of tin mineralisation at Doradilla. Exploration included aeromagnetic and gravity interpretation, ground magnetics, gravity traversing, minor sampling and mapping and combined percussion and diamond drilling. The T11, T14A, T17, T57 prospects were located during drilling along a northeasterly trending magnetic anomaly, parallel with the Darling River Lineament the Mount Oxley trend. The mineralisation possibly lies in a fault zone along the edge of a major quartzite unit. Other drill holes in the vicinity have returned trace metal values. The best assay (anomaly T17 prospect), being 2.16 m of 0.61% Pb and 0.35% Zn. In the same hole tin values reach 500 ppm.

Plenty River Mining Company (1985) covered the current EL, being interested in a mineralized acid volcanic-bearing suite of mid-Palaeozoic rocks shown to be present at Bellevue. Exploration included detailed ground magnetics; blade, RC and diamond drilling. All holes were targeted on geophysical information but none was successful.

Geology and Mineralisation

Based on geophysical interpretation the tenement area is dominated by two formations. To the southeast there is evidence for a granite (locally named the "MacKay's Tank Granite"). Also interpreted is the "Bellevue Block", a possible metamorphic belt, recognised by a zone of northeast striking linear magnetic anomalies with coincident gravity high. A major northeast trending structure and interpreted granite intrusion is also present and four prospects with polymetallic mineralisation are present along the contact zone.

The four prospects (T11, T57, T17 and T14a) are all located in a structurally complex contact zone. These are ideal sites for the deposition of mineralisation associated with the granite intrusion. This interpretation shows the prospective belt can be extended to the southwest, and the northeast.

The recent delineation of Ordovician shoshonites on the northern sector of this EL is important. They are similar in age and composition to those containing the Cadia mineralisation.

Proposed Exploration

Follow-up previous exploration over base metal occurrences.

Detailed mapping of known prospects.

A detailed low level magnetic survey will accurately map the responses associated with the aureole surrounding the intrusive and the numerous cross cutting structures associated with mineralisation.

BURRAWAY EL7173

Introduction

The Burraway EL, of 270 sq. km is in the Lachlan Fold Belt and covers a coincident magnetic and gravity anomaly similar to the Northparkes Mine area, 70 Km to the south. The tenement is covered by alluvial soils and no outcrop or old workings are known. Airborne magnetic and field checking have defined extensive development of iron pisolites in the paleo drainage and depending on concentration and tonnage available, these have potential to be developed as a source of iron ore.

Previous Exploration

The area has been relatively unexplored due to lack of outcrop of prospective basement rocks and cover making geochemistry ineffective. The most relevant work in the tenement area was from 1998-99 by Savage Resources, who explored the area for gold and base metal mineralisation within intrusive phases of the Yeoval Granite. Ground traverses were conducted to better locate aeromagnetic anomalies and 12 RAB holes were completed over three prospects for a total of 214m. There was no further follow up.

Geology and Mineralisation

The area lies at the interpreted northern end of the north-trending Narromine-Coolac Suture that runs along the Forbes Gold Belt. The Belt has produced over one million ounces of gold historically from mostly shear-controlled, quartz veins

The geology includes Silurian and Devonian stratigraphy with the magnetic data showing a circular relatively non-magnetic feature, interpreted as a magnetic aureole surrounding an igneous intrusion. It is most pronounced to the east of the intrusion where skarn-type bodies would be expected to develop along the margin. Coincident with this circular magnetic anomaly there is a gravity low that has a similar size, shape and amplitude to the gravity image over the Northparkes copper-gold deposit.

Altius' recent exploration here delineated extensive resources of iron pisolites, concentrated in palaeo channels, close to rail/road infrastructure. These channel iron deposits are a younger version of those that make up 49% of the deposits mined in the Pilbara. The pisolites, of magnetite/hematite concentrations, are in channels up to 500m wide, 15m deep and extending over the entire tenement. One linear kilometre of palaeochannel can contain up to 2.5 Mt of iron ore. Dry or wet beneficiation separation methods can increase grade of this unconsolidated material to between 60 and 70% iron.

Proposed Exploration

The combined interpretation of the coincident magnetic and gravity data suggests that an igneous intrusion with similar geophysical properties to the Northparkes deposit is present. The gravity low has a similar size, shape amplitude to that image over the Northparkes mine which makes this a priority target. The mine, which is currently in full production, had pre-mining reserves of approximately 50Mt at grade 1.4% copper and 0.4 g/t gold.

The principal targets are for skarn related mineralisation east of the deep intrusive. The eastern margin of the intrusive is defined by a magnetic anomaly interpreted as a possible skarn. There is a gravity low associated with the intrusive which extends to the west off the tenement.

The regional magnetic data also defined numerous cross cutting structures associated with the mineralisation warranting further investigation. A detailed low level magnetic survey will accurately map these structures.

PUGGOON EL7155

Introduction

The Puggoon EL, of 220 sq. km, is within the Lachlan Fold Belt and includes large coincident magnetic and gravity anomalies similar to the Northparkes mine area, 150 km to the west. A number of old mines and prospects are present.

Previous Exploration

There are numerous old workings. Universal Services Group Pty Ltd, 1996, held ground in the general area and explored for gold and diamond bearing mineralisation near Gulgong. Work completed included geological mapping and airborne magnetics.

MIM Exploration Pty Ltd, 2001, held ground to the northeast as part of a broad search for large porphyry type copper or copper-gold deposits associated with Palaeozoic intrusives. It was believed that these major deposits would be recognisable by their magnetic signature associated with widespread alteration and by their ore and pathfinder elemental assemblage. Geological and metallogenic maps for the area show a series of copper (+lead, zinc) and gold deposits hosted by Silurian-Devonian volcanics and metasediments, or associated with porphyry phases of the Carboniferous Gulgong Granite.

Altius' review of aerial magnetic survey patterns shows that two of the porphyry associated deposits are adjacent to circular magnetic features. MIM's field program was aimed at assessing the style of mineralisation at the known deposits, and at identifying indications of a major alteration system. This is evident as the majority of the workings are for kaolin (related to the advanced argillic quartz-kaolin-pyrite-barite anatase zone). They concluded that there was only a low potential for large mineralised systems but that the area was prospective for vein style gold deposits.

Geology and Mineralisation

The tenement lies on the eastern margin of the Hill End Trough and the Sofala Anticline. The Carboniferous Gulgong Granite intruded moderately to steeply dipping Silurian and Devonian units of greywacke. Most of the area is mapped as Gulgong Granite.

The magnetic data is dominated by a circular magnetic body directly correlating with the Gulgong intrusion and lies within a gravity low. The interpretation of the magnetic data suggests that the Gulgong Granite extends to the north of Puggoon. The coincident magnetic and gravity anomalies are similar to the Northparkes mine area.

Proposed Exploration

Known mineralisation correlates with a magnetic response interpreted as an aureole surrounding a larger intrusive. In places the amplitude of the magnetic response is sufficient to be classified as a possible skarn. Principal targets related to skarn mineralisation are in the west of tenement, and mineralisation in the intrusive associated with the skarns. The Northparkes type target is identified for follow up with alteration mapping.

The regional magnetic data defined responses associated with the intrusive and also defined numerous cross cutting structures associated with the mineralisation that warrant further investigation. A detailed low level magnetic survey will be carried out to accurately map these structures.

BUDGET

The budget for all areas except Forsayth.

EL	Name	Proposed Work	\$8 Million			\$12 Million		
			Year 1	Year 2	Total	Year 1	Year 2	Total
EL7423	Sofala	Database compilation	\$2,550	\$0	\$2,550	\$2,550	\$0	\$2,550
		Geology mapping	\$5,100	\$2,040	\$7,140	\$5,100	\$2,040	\$7,140
		Geophysics (Aeromag and Aerorad)	\$0	\$0	\$0	\$0	\$0	\$0
		Geochemistry	\$1,020	\$0	\$1,020	\$1,020	\$0	\$1,020
		Geophysics (IP)	\$8,160	\$4,080	\$12,240	\$8,160	\$4,080	\$12,240
		Drilling	\$30,600	\$48,450	\$79,050	\$30,600	\$48,450	\$79,050
			\$47,429	\$54,570	\$102,000	\$47,429	\$54,570	\$102,000
EL7332	Karangi	Database compilation	\$3,468	\$0	\$3,468	\$3,468	\$0	\$3,468
		Geology mapping	\$5,549	\$1,387	\$6,936	\$5,549	\$1,387	\$6,936
		Geophysics (Aeromag and Aerorad)	\$0	\$0	\$0	\$0	\$0	\$0
		Geochemistry	\$2,775	\$0	\$2,775	\$2,775	\$0	\$2,775
		Geophysics (IP)	\$9,711	\$5,549	\$15,260	\$9,711	\$5,549	\$15,260
		Drilling	\$41,618	\$68,662	\$110,281	\$41,618	\$68,662	\$110,281
			\$63,121	\$75,599	\$138,720	\$63,121	\$75,599	\$138,720
EL7036	Gunnars	Database compilation	\$8,202	\$0	\$8,202	\$8,202	\$0	\$8,202
		Geology mapping	\$13,123	\$3,281	\$16,404	\$13,123	\$3,281	\$16,404
		Geophysics (Aeromag and Aerorad)	\$36,089	\$0	\$36,089	\$36,089	\$0	\$36,089
		Geochemistry	\$6,562	\$0	\$6,562	\$6,562	\$0	\$6,562
		Geophysics (IP)	\$0	\$0	\$0	\$0	\$0	\$0
		Drilling	\$98,425	\$162,318	\$260,743	\$98,425	\$162,318	\$260,743
			\$162,401	\$165,599	\$328,000	\$162,401	\$165,599	\$328,000
EL7039	Yarran	Database compilation	\$5,447	\$0	\$5,447	\$5,447	\$0	\$5,447
		Geology mapping	\$8,716	\$2,179	\$10,895	\$8,716	\$2,179	\$10,895
		Geophysics (Aeromag and Aerorad)	\$23,968	\$0	\$23,968	\$23,968	\$0	\$23,968
		Geochemistry	\$4,358	\$0	\$4,358	\$4,358	\$0	\$4,358
		Geophysics (IP)	\$0	\$0	\$0	\$0	\$0	\$0
		Drilling	\$65,369	\$107,963	\$173,332	\$65,369	\$107,963	\$173,332
			\$107,858	\$110,142	\$218,000	\$107,858	\$110,142	\$218,000
EL7041	Honeybugle	Database compilation	\$5,950	\$0	\$5,950	\$5,950	\$0	\$5,950
		Geology mapping	\$9,520	\$2,380	\$11,900	\$9,520	\$2,380	\$11,900
		Geophysics (Aeromag and Aerorad)	\$26,180	\$0	\$26,180	\$26,180	\$0	\$26,180
		Geochemistry	\$4,760	\$0	\$4,760	\$4,760	\$0	\$4,760
		Geophysics (IP)	\$0	\$0	\$0	\$0	\$0	\$0
		Drilling	\$71,399	\$117,811	\$189,211	\$71,399	\$117,811	\$189,211
			\$117,808	\$120,191	\$238,000	\$117,808	\$120,191	\$238,000
EL7045	Wamboyne	Database compilation	\$6,998	\$0	\$6,998	\$6,998	\$0	\$6,998
		Geology mapping	\$11,198	\$2,799	\$13,997	\$11,198	\$2,799	\$13,997
		Geophysics (Aeromag and Aerorad)	\$30,793	\$0	\$30,793	\$30,793	\$0	\$30,793
		Geochemistry	\$5,599	\$0	\$5,599	\$5,599	\$0	\$5,599
		Geophysics (IP)	\$0	\$0	\$0	\$0	\$0	\$0
		Drilling	\$83,981	\$138,631	\$222,613	\$83,981	\$138,631	\$222,613
			\$138,569	\$141,431	\$280,000	\$138,569	\$141,431	\$280,000
EL7046	Huntingfield	Database compilation	\$11,701	\$0	\$11,701	\$11,701	\$0	\$11,701
		Geology mapping	\$18,722	\$4,681	\$23,403	\$18,722	\$4,681	\$23,403
		Geophysics (Aeromag and Aerorad)	\$51,486	\$0	\$51,486	\$51,486	\$0	\$51,486
		Geochemistry	\$9,361	\$0	\$9,361	\$9,361	\$0	\$9,361
		Geophysics (IP)	\$0	\$0	\$0	\$0	\$0	\$0
		Drilling/Bulk Sampling	\$140,416	\$231,634	\$372,050	\$140,416	\$231,634	\$372,050
			\$231,686	\$236,314	\$468,000	\$231,686	\$236,314	\$468,000

			\$8 Million			\$12 Million		
EL	Name	Proposed Work	Year 1	Year 2	Total	Year 1	Year 2	Total
EL7082	Mooculta	Database compilation	\$5,249	\$0	\$5,249	\$5,249	\$0	\$5,249
		Geology mapping	\$8,398	\$2,100	\$10,498	\$8,398	\$2,100	\$10,498
		Geophysics (Aeromag and Aerorad)	\$23,095	\$0	\$23,095	\$23,095	\$0	\$23,095
		Geochemistry	\$4,199	\$0	\$4,199	\$4,199	\$0	\$4,199
		Geophysics (IP)	\$0	\$0	\$0	\$0	\$0	\$0
		Drilling	\$62,986	\$103,973	\$166,959	\$62,986	\$103,973	\$166,959
			\$103,927	\$106,073	\$210,000	\$103,927	\$106,073	\$210,000
EL7155	Puggoon	Database compilation	\$2,823	\$0	\$2,823	\$2,823	\$0	\$2,823
		Geology mapping	\$4,517	\$1,129	\$5,646	\$4,517	\$1,129	\$5,646
		Geophysics (Aeromag and Aerorad)	\$12,421	\$0	\$12,421	\$12,421	\$0	\$12,421
		Geochemistry	\$2,258	\$0	\$2,258	\$2,258	\$0	\$2,258
		Geophysics (IP)	\$0	\$0	\$0	\$0	\$0	\$0
		Drilling	\$33,875	\$55,977	\$89,852	\$33,875	\$55,977	\$89,852
			\$55,895	\$57,106	\$113,000	\$55,895	\$57,106	\$113,000
EL7159	Beehive East	Database compilation	\$2,376	\$0	\$2,376	\$2,376	\$0	\$2,376
		Geology mapping	\$3,802	\$950	\$4,752	\$3,802	\$950	\$4,752
		Geophysics (Aeromag and Aerorad)	\$10,455	\$0	\$10,455	\$10,455	\$0	\$10,455
		Geochemistry	\$1,901	\$0	\$1,901	\$1,901	\$0	\$1,901
		Geophysics (IP)	\$0	\$0	\$0	\$0	\$0	\$0
		Drilling	\$28,515	\$47,000	\$75,515	\$28,515	\$47,000	\$75,515
			\$47,050	\$47,950	\$95,000	\$47,050	\$47,950	\$95,000
EL7173	Burraway	Database compilation	\$3,251	\$0	\$3,251	\$3,251	\$0	\$3,251
		Geology mapping	\$5,202	\$1,300	\$6,502	\$5,202	\$1,300	\$6,502
		Geophysics (Aeromag and Aerorad)	\$14,305	\$0	\$14,305	\$14,305	\$0	\$14,305
		Geochemistry	\$2,601	\$0	\$2,601	\$2,601	\$0	\$2,601
		Geophysics (IP)	\$0	\$0	\$0	\$0	\$0	\$0
		Drilling	\$39,013	\$64,329	\$103,341	\$39,013	\$64,329	\$103,341
			\$64,371	\$65,629	\$130,000	\$64,371	\$65,629	\$130,000
EL7195	Bullamalilito	Database compilation	\$4,027	\$0	\$4,027	\$4,027	\$0	\$4,027
		Geology mapping	\$6,443	\$1,611	\$8,053	\$6,443	\$1,611	\$8,053
		Geophysics (Aeromag and Aerorad)	\$17,717	\$0	\$17,717	\$17,717	\$0	\$17,717
		Geochemistry	\$3,221	\$0	\$3,221	\$3,221	\$0	\$3,221
		Geophysics (IP)	\$0	\$0	\$0	\$0	\$0	\$0
		Drilling	\$48,319	\$79,662	\$127,982	\$48,319	\$79,662	\$127,982
			\$79,726	\$81,273	\$161,000	\$79,726	\$81,273	\$161,000
		Total	\$1,219,842	\$1,261,878	\$2,481,720	\$1,219,842	\$1,261,878	\$2,481,720

OVERVIEW OF ALTIUS' BUDGETED EXPENDITURES

The company's exploration program over the next two years is designed to meet the requirements of the geological environments and exploration requirements that have been outlined in this Prospectus. For a minimum capital raising of \$8 million, the exploration budget amounts to \$3,700,000 over two years, with a contingency of an additional \$4,000,000 for exploration drilling at Forsyth, if the maximum of \$12 million is attained. This is summarised in the table below with figures rounded.

	\$8m Capital Raising			\$12m Capital Raising		
	Year 1	Year 2	Total	Year 1	Year 2	Total
Forsyth	481	737	1,218	2,061	3,157	5,218
Sofala	48	55	103	48	55	103
Gowulma	162	166	328	162	166	328
Huntingfield	232	236	468	232	236	468
Wamboyne	138	142	280	138	142	280
Karang	63	76	139	63	76	139
Yarran	108	110	218	108	110	218
Honeybugle	118	120	238	118	120	238
Beehive	47	48	95	47	48	95
Bullamalitto	80	81	161	80	81	161
Mooculta	104	106	210	104	106	210
Burraway	64	65	129	64	65	129
Puggoon	56	57	113	56	57	113
TOTAL*	1,701	1,999	3,700	3,281	4,419	7,700

The planned exploration programs are deemed satisfactory and clearly defined. The expenditure budget is reasonable, having regard to the stated objectives of the Company, the prospectively of the project areas and the exploration database already available.

Qualifications

The person responsible for the preparation of this report is:

Mr R C W Pyper BSc, FAusIMM, GAICD. Consulting Geologist

Minnelex Pty Ltd ("Minnelex") is a long-established geological consulting company. Its principal, Robert Pyper, is a geologist with 47 years of industry experience and twenty-five years of consulting practice in precious metals, base metals, gemstones, coal, clays, dimension stone and mineral sands. He has had extensive experience in geological reporting, resource assessment and the valuation of mineral exploration properties.

Declaration

Minnelex consents to the inclusion of this report in the form and context in which it is included. Apart from that, neither the whole nor any part of this report, nor any references thereto, may be included in, or with, or attached to, any document, circular, resolution, letter or statement without the prior written consent of Minnelex.

The information in this report that relates to exploration results and mineral resources is based on information compiled by Mr Robert Pyper, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Pyper has sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Pyper consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.

Disclaimer of Interests

At the date of this report, Minnelex does not have, nor has had any relationship with Altius, other than as may have occurred as a result of providing consultancy services in the ordinary course of business.

Minnelex and Mr Pyper have neither relevant interest in, nor any interest in the acquisition or disposal of, any securities of Altius. Minnelex and Mr Pyper have no pecuniary or other interest that could be regarded as being capable of affecting its ability to give an unbiased opinion in relation to the acquisition of the mineral interests of Altius.

Neither Minnelex nor Mr Pyper has received or may receive any pecuniary or other benefits, whether direct or indirect or in connection with the preparing of this report other than normal consultancy fees based on fee time at normal professional rates plus out-of-pocket expenses.

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Slade J

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Huntingfield

The only previous work was for uranium.

Bullamalito

Ajax Joinery Pty Ltd, 1988.
Norgold Ltd, in 1988
PlatSearch NL, 1993-1997

Burraway

The area has been relatively unexplored due to lack of outcrop of prospective basement rocks and cover making geochemistry ineffective.

The most relevant work in the tenement area was from 1998-99 by Savage Resources.

Puggoon

There are numerous old workings.
Universal Services Group Pty Ltd, 1996.
MIM Exploration Pty Ltd, 2001
MIM Exploration Pty Ltd, 2001

Beehive East

Homestake Australia Pty Ltd in 1990



GLOSSARY

Acid volcanic	Volcanic rock with high content of quartz.
Aeromagnetic	Magnetic survey by aircraft
Alluvium	Water-lain sediments
Alteration	Change in mineral composition of a rock, usually from weathering or hydrothermal solutions
Andesite	A fine grained igneous rock with intermediate silica content.
Anomaly	Usually soil or rock assay or geophysical result considered to be different from the norm.
Argillic	Clay alteration products, smectite-dickite-quartz-pyrite.
Auriferous	Gold bearing.
AusIMM	The Australasian Institute of Mining and Metallurgy.
Basalt	A fine grained dark basic igneous rock.
Basic	An igneous rock with a low silica content.
Batholith	An igneous intrusion <100 sq km in area
BCL	Bulk Cyanide Leach. Same as BLEG
Biotite	A dark mica
BLEG	As for BCL
Breccia	Rock fragments in a finer grained matrix.
calc-silicates	A metamorphic rock with calcium rich minerals present
Carbonate	Carbon and oxygen in the ratio 1:3
Carboniferous	345-280 million years ago
Chalcopyrite	Copper and iron sulphide
Country rock	Rocks surrounding a vein or anomaly which in themselves are of no economic value.
Conglomerate	Coarse grained sediment with fragments generally much larger than 2mm set in finer matrix
Cretaceous	Part of Mesozoic 135-65 million years ago
dacite	A volcanic rock intermediate between andesite and rhyolite.
Devonian	The period 400 - 345 million years ago.
Diorite	A plutonic rock intermediate in composition between acid and basic
Eluvial	residual – not transported by stream or wind.
EM.	Electromagnetic survey Measures magnetic fields from artificially introduced currents.
Eocene	Early Tertiary period
Epithermal	Low temperature hydrothermal processes.
EPM	Exploration Permit for Minerals.
FAusIMM,	Fellow, Australasian Institute of mining and metallurgy
Fault	A fracture in a rock mass, with the movement of one side past the other.
Felsic	Rock with abundant light coloured minerals such as quartz, feldspar and mica
Ferruginous	Iron rich
Gabbro	Basic intrusive igneous rock
GAICD	Graduate of Australian institute of company directors
Gangue	Waste rock or mineral associated with ores.
Geochemistry	Study of the values and relationships of elements in soils and rocks
Geophysics	Study of the earth by quantitative physical methods.

Gneiss	foliated rock formed by regional metamorphism
Gossan	Iron rich weathered product overlying sulphide deposit
GSQ	Geological Survey of Queensland
Grade	The quantity of ore or metal present relative to other constituents of the rock or ore.
Granite	Coarse grained acid igneous rock containing quartz and feldspar
Granitoid	Granitic
Granodiorite	Similar rock to granite but with less silica
Hi sulphidation	Au+Cu ore systems develop from the reaction with rocks of hot acidic magmatic fluids to produce characteristic zoned alteration and later sulphide and Au+Cu+Ag deposition
Hydrothermal	Circulation of hot water through rocks with leaching and deposition of minerals
Igneous	Rocks formed from a molten state.
Inlier	Rocks surrounded by rocks of a younger age, eg eroded anticline
Intercalation	material introduced between layers of rock
Intrusive	A body of hot igneous rock which invades the overlying rocks
IP	A geophysical technique which measures the induced potential between two electrodes.
I-Type	Granitoids derived from igneous source rocks.
Jurassic	Part of the Mesozoic, 190-135 million years ago
Laterite	Highly ferruginous residual soil, extensively leached
Limonite	Hydrous iron oxide.
Lineament	A linear topographical feature of regional extent thought to reflect crustal structure.
Lithology	The description of rocks
Ma	Million years
Magnetic low	Magnetic readings which are low compared to nearby areas.
Magnetite	A magnetic oxide of iron.
Massive sulphide	A body of rock with >40% sulphides. It may not be ore.
Mesothermal	Hydrothermal deposits formed between 200 and 300 deg. C
Mesozoic	225-65 million years ago
Meta-	Refers to alteration
Metallurgical	Concerned with the production of raw metals from ores.
Metamorphic	Alteration of rocks by heat and pressure.
Micro-	Small.
Olivine	A common rock mineral in ultramafic rocks such as dunite, rich in magnesium or iron.
Ordovician	500-440 Ma
Paleozoic	Period from the end of the Precambrian to the beginning of the Mesozoic
Percussion	Rock drilling using a pneumatically driven drill bit.
Permian	280-225 Ma
Petrology	Examination of rocks by microscope.
pluton	Generally deep seated igneous intrusion
Porphyry Cu	Large body of plutonic rock with low grade copper
Porphyritic	Large crystals set in a fine groundmass
Proterozoic	Around 3000-600 Ma
Ppb	Parts per billion
Ppm	Parts per million

Pyritic	Containing pyrite.
Pyroxenite	Ultramafic plutonic rock
Quartz	Crystalline silica.
RAB	Rotary airblast drilling
Radiometric	Measurement of uranium, thorium and potassium radiation.
RC drilling	Reverse circulation drilling. Gives a less contaminated sample than open hole drilling.
Ring fracture	Circular structures usually related to calderas
Rhyolite	Light coloured extrusive volcanic rock
Skarn	Deposit that results from alteration and mineralisation of lime rich rocks
Stockworks	Three dimensional network of irregular veinlets.
Stream sediment	Sample taken of stream gravels and assayed.
Tectonic	Pertaining to forces and the geological architecture that results such as faults, folds etc.
Sulphide	A mineral compound linked to sulphur.
Supergene	Near surface enrichment usually from descending solutions
Tenement	Ground granted for exploration or mining purposes.
Tertiary	65-2 Ma
Tuff	volcanic rock, consolidated pyroclastic.
Volcanic	Related to volcanoes or volcanism.
Welded tuff	Volcanic fragments welded together by partial melting



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ALTIUS MINING LTD

INDEPENDENT EXPLORATION AND MINING TENEMENTS REPORT

1. INTRODUCTION

1.1 Scope of Instructions

The following report has been prepared independently and in compliance with the Valmin Code.

Hetherington Exploration & Mining Title Services Pty Limited ("HEMTS") has been instructed by Altius Mining Ltd ("the Company") to conduct searches of and outline the rights conferred by the exploration and mining tenements in which the Company instructs it has an interest in Queensland and New South Wales, as set out in the attached Schedule ("the Schedule").

1.2 Qualifications

Russell Hetherington has approximately 33 years experience in exploration and mining tenement management across Australia. Russell Hetherington is a member of the Australian Mining and Petroleum Law Association and a member of the Business Law Section of the Law Council of Australia.

1.3 Independence

HEMTS is independent from the Company within the meaning of the Valmin Code. HEMTS's costs of preparing this report have been calculated at its normal charge out rate.

2. COMMENTARY ON THE TENEMENTS

2.1 QUEENSLAND TENEMENTS

2.1.1. General

Unless stated otherwise, the following information was obtained from the Queensland Department of Employment, Economic Development and Innovation ("DEEDI"), the Queensland Department of Environment and Resource Management ("DERM") and the National Native Title Tribunal ("NNTT").

The exploration tenement is comprised of Exploration Permit for Minerals ("EPM") No. 14498 referred to as "the Queensland Exploration Tenement".

The mining tenements are comprised of Mining Leases No's ("ML's") 3417 and 3418 collectively referred to as "the Queensland Mining Tenements".

The Queensland Exploration Tenement and Queensland Mining Tenements have been granted by DEEDI in accordance with the provisions of the Mineral Resources Act 1989 ("the MRA") and basic details are set out in the Schedule.

The Queensland Exploration Tenement is held by Altius Mining Ltd as the registered holder of the legal interest.

SYDNEY
503 Willoughby Road, 1st Floor
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PERTH
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PERTH WA 6000
PO Box 8249, Perth Business Centre PERTH WA 6849
Tel: (08) 9228 9977
Fax: (08) 9328 3710
E-mail: perth@hemts.com.au

The Queensland Mining Tenements are also held by Altius Mining Ltd as the registered holder of the legal interest.

EPM 14498 is granted to 15 January 2011 and has been granted in respect of all minerals, other than coal. An application to renew EPM 14498 for a further term of 5 years has been lodged with DEEDI. As of the date preparing this report, DEEDI has not yet assessed the renewal application. Details of the proposed expenditures and sub-block area reduction requirements as requested in the renewal application are detailed in the Schedule. Pursuant to the provisions of the MRA, an exploration permit subject to an application for renewal continues in force pending the determination of that application.

The Queensland mining tenements are granted until 31 March 2018 and have been granted in respect of the specific minerals as detailed in the Schedule.

2.1.2. Exclusions

With the exception of the exclusions referred to in Table 1 below, the Queensland Exploration Tenement and the Queensland Mining Tenements have been granted in respect of both Native Title land and non-Native Title land.

Reference should be made to Table 1 and following paragraphs which summarise the areas excluded from the Queensland Exploration Tenement and Queensland Mining Tenements.

Table 1 - Exclusions

Tenement	Non Exclusive Land Included Yes/No	MRA Exclusions/ Restrictions	Environmentally Sensitive Areas Exclusions/Restrictions
EPM 14498	Yes	ML's 3326, 3327, 3328, 3417, 3418, 3589 and 7045	-
ML 3417	Yes	-	-
ML 3418	Yes	-	-

Reference to the MRA Exclusions/Restrictions column indicates exclusions/restrictions in respect to the relevant tenement as a result of provisions of the MRA. In the case of EPM 14498, any applications for or granted mining claims, mining leases or mineral development licences as at the date of application of the EPM 14498 were excluded from the grant of the EPM pursuant to Section 132 of the MRA. All exclusions are in the form of existing granted mining leases.

References in the Environmentally Sensitive Areas Exclusions/Restrictions column indicate that there are no exclusions/restrictions from the EPM/ML's pursuant to the requirements of the relevant Environmental Authority ("EA").

2.1.3. Tenement Conditions

The following conditions apply to the Queensland Exploration Tenement and Queensland Mining Tenements:

- General Conditions;
- Specific Conditions;
- Conditions of the relevant Environmental Authority ("EA") (see Section 2.1.5); and
- Conditions of the relevant Native Title agreement, if applicable (see Section 2.1.4).

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The General Conditions set out the obligations and procedures with which the holder of the Queensland Exploration Tenement and Queensland Mining Tenements must comply with during exploration and/or mining, as the case may be. These conditions address issues such as notification of landowners before commencing exploration (EPM only) and other matters such as annual rental payments.

The Specific Conditions require the holder of the Queensland Exploration Tenement to follow a specific program of works and expenditure commitments outlined in the EPM grant document. The Specific Conditions also detail areas that are specifically excluded from the EPM upon grant. Further information on specific exclusions is detailed in Section 2.1.2.

Specific Conditions may also require the holder of the Queensland Mining Tenement to comply with site specific conditions in addition to the standard conditions of the MRA. No specific review of the Queensland Mining Tenements has been made to determine if any special conditions apply. It is unlikely that there are any special conditions current to the Queensland Mining Tenements as most (if not all) would have now been superseded by the current environmental conditions.

The conditions of the relevant EA issued in respect to each of the granted Queensland Exploration Tenement and Queensland Mining Tenements (see Section 2.1.5) form part of the relevant conditions of grant.

The Queensland Exploration Tenement and Queensland Mining Tenements have been issued with Level 2 Code-Compliant EA's. As such, all activities conducted on these tenements must comply with all conditions of the Code of Environmental Compliance for Exploration Permits and Mineral Development Licenses (Exploration Permits) or the Code of Environmental Compliance for Mining Lease Projects (Mining Leases). Refer to Section 2.1.5 of this report for information on the EA issued in respect of the Queensland Mining Tenements.

Comments on the Native Title requirements for the EPM are set out in Section 2.1.4.

2.1.4. Native Title

The Queensland Exploration Tenement and Queensland Mining Tenements have been applied for and granted over both Native Title land and non-Native Title land.

Where noted below, the holder must comply with all relevant Native Title conditions (if applicable) when conducting exploration activities on any Native Title land within the Queensland Exploration Tenement.

Reference should be made to Table 2 which provides a summary for the current Native Title status for each tenement included in this report. Reference should be made to the following paragraphs for details of the various Native Title categories and how each of these categories will affect exploration on the EPM.

Table 2 – Native Title Summary

EPM No	Native Title Agreement Category	Native Title Party	Native Title Reference No
EPM 14498	NTPC's	Ewamian People 2 and Ewamian People 3	QC 99/13 and QC 01/16
ML 3417	Pre NTA	-	QC 01/16
ML 3418	Pre NTA	-	QC 01/16

QC 99/13 - Ewamian People 2

QC 01/16 - Ewamian People 3

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Pre – NTA

ML 3417 and ML 3418 were granted prior to the commencement of the NTA and for the purpose of the NTA are defined as “Category C Past Acts”. Accordingly, there are no Native Title conditions in respect of these tenements.

Native Title Protection Conditions (NTPC’s)

EPM 14498 was granted subject to compliance of the NTPC’s. The NTPC’s require the holder to serve a copy of the proposed program of works on any registered Native Title claimant before commencing those exploration activities. The registered Native Title claimant(s) are entitled to a period of time to review the program of works. If the Native Title claimant(s) do not have any amendments to the program of works and do not require a site clearance to be conducted, exploration can commence without delay. The NTPC’s detail annual payments (administrative payments) due to the registered claimant(s) and costs associated with site clearances and other matters.

2.1.5. Environmental Authorities

The Queensland Exploration Tenement has been issued with a Level 2 (Code Compliant) EA. The required security deposit is listed in the Schedule. It is a requirement for a Level 2 (Code Compliant) EA that the holder complies with all conditions of the Code of Environmental Compliance for Exploration Permits and Mineral Development Licences (Exploration Code) when conducting exploration activities on EPM 14498.

The Exploration Code imposes various exclusion zones around Category A and Category B Environmentally Sensitive Areas (“ESAs”) within which exploration activities involving the use of machinery cannot be performed (1000 metres for Category A and 500 metres for Category B). The Environmental Code also refers to Category C ESAs within which exploration activities cannot be performed, unless the holder has obtained consent from the relevant administrative authority.

There appears to be no Category A, B or C ESA’s located within the Queensland Exploration Tenement and Queensland Mining Tenements.

ML 3417 and ML 3418 together have been issued with a single Level 2 Code Compliant EA. It is a requirement for Level 2 Code Compliant EA that the holder complies with all conditions of the Code of Environmental Compliance for Mining Lease Projects (Mining Leases) when conducting mining activities on the relevant mining tenement. The required security deposit is listed in the Schedule.

2.1.6. Expenditure and Reporting Requirements

It is a condition of the granted Queensland Exploration Tenement that the holder complies with the relevant expenditure commitment. The expenditure commitments for the Queensland Exploration Tenement are set out in the Schedule. An application to renew EPM 14498 for a further term of 5 years has recently been submitted to DEEDI. The expenditure commitments as listed in the enclosed Schedule for the renewal term are those detailed in the renewal application. Assuming DEEDI accept these expenditure commitments if it approves the renewal application, these will be the expenditure commitments required for the renewal term.

Annual Exploration Reports must be lodged in respect to the Queensland Exploration Tenement within one month of the anniversary date of grant. A Statement of Expenditure conducted on exploration is also due at the same time.

Whenever the holder relinquishes any sub-blocks from an EPM, it is required to lodge a relinquishment report. This report is due for submission within 2 months of DEEDI accepting the relinquishment.

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Compliance with the reporting requirements and expenditure commitments of the Queensland Exploration Tenement is important because those matters are considered by DEEDI when determining whether or not to renew the Queensland Exploration Tenement. Further, compliance with such requirements and commitments may also affect DEEDI's decision to renew the Queensland Exploration Tenement in full, or to require a reduction in area. Non-compliance with these conditions could also give rise to "show cause" action which may lead to termination of EPM 14498 by DEEDI.

There are no expenditure requirements outstanding for the Queensland Exploration Tenement as at the date of this report.

There are no annual expenditure or reporting requirements for the Queensland Mining Tenements.

2.1.7. Access and Compensation

Queensland Exploration Tenement

In accordance with the newly introduced land access requirements of the MRA, an Initial Notice of Intention of Entry to conduct preliminary activities must be served on each affected landowner at least 10 business days prior to the intended entry. If advanced activities (that is, high impact exploration) are to be carried out a Conduct and Compensation Agreement must be entered into between the holder of the Queensland Exploration Tenement and the landowner. The period to negotiate this agreement can take up to 50 business days, with an automatic referral to the Land Court, if an agreement is not reached.

Queensland Mining Tenements

Prior to the grant or renewal of a mining lease in Queensland, the holder must enter into compensation agreements with all relevant background landholders. Various compensation agreements are in place in respect of the Queensland Mining Tenements. No specific review of the existing compensation agreements have been made to determine specific compensation requirements or if all relevant compensation payments are up to date.

2.1.8. Rent

The holder of the Queensland Exploration Tenement is required to make annual rental payments to the DEEDI in respect to the retained area of the EPM.

The rate of rental is subject to annual increases commensurate with appropriate price indices. The current rent rate is \$123.35 (GST does not apply per sub-block for the Queensland Exploration Tenement (Schedule 5 Mineral Resources Regulation 2003 (QLD))).

There are no outstanding rental payments in respect to the Queensland Exploration Tenement.

The holder of the Queensland Mining Tenements is required to make annual rental payments to DEEDI in respect of the total area of the Mining Leases. The rent rate is subject to annual increases commensurate with appropriate prices indices.

As of the date of preparing this report there are no outstanding rental payments in respect to the Queensland Mining Tenements.

2.1.9. Encumbrances

Section 156 of the MRA deals with recording of agreements, arrangements, dealings or interests in the Queensland Exploration Tenement and provides that an agreement, arrangement, dealing or interest recorded under this Section shall, subject to being otherwise legally enforceable, take priority over other unrecorded or any subsequently recorded agreement, arrangement, dealing or interest. There are no such dealings currently recorded against the Queensland Exploration Tenement.

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Sections 301 and 303 of the MRA detail the requirements for the lodgement and effect of a caveat by which a person claims a right or interest in respect to a Mining Lease. Each of the granted Queensland Mining Tenements is subject to a consent caveat which is noted in Table 3.

Table 3 – Encumbrances Summary

Tenement	Type of Encumbrance	Details
ML 3417	Absolute Consent Caveat	Caveator – GA, WJ and KL Anderson Consenting Holder – Remine Gold Limited (now Altius Gold Ltd) (Dealing No. 1012835)
ML 3418	Absolute Consent Caveat	Caveator – GA, WJ and KL Anderson Consenting Holder – Remine Gold Limited (now Altius Gold Ltd) (Dealing No. 1012835)

With consent of Remine Gold Limited (now Altius Gold Ltd) the caveators claim rights or interest under an agreement (Dealing No 1012835) in ML 3417 and ML 3418.

Detail in respect to the agreement noted in this caveat is not available on the face of the search obtained from DEEDI and particulars should be sought from the Company.

This encumbrance needs further investigation to determine precisely what rights or interests are claimed in respect to ML 3417 and ML 3418.

2.1.10. Royalties

No Annual Royalty Returns or associated royalty payments are required in respect of the Queensland Exploration Tenement, unless mineral production has occurred. In the case of standard exploration activities conducted on EPM 14498, this is unlikely.

DEEDI have verbally advised HEMTS that there are no outstanding Royalty Returns or associated royalty payments for the Queensland Mining Tenements as per the requirements of the MRA. Annual Royalty Returns and (if applicable) royalty payments for the period 1 July 2010 to 30 June 2011 are due to be lodged with DEEDI by 30 September 2011.

2.1.11. Aboriginal Cultural Heritage

The activities conducted under the authority of the Queensland Exploration Tenement are required to comply with the Aboriginal Cultural Heritage Act 2003 (QLD).

The Aboriginal Cultural Heritage Act 2003 (QLD) provides that there exists a “cultural heritage duty of care” and, therefore, all reasonable and practicable measures must be taken to ensure that Aboriginal cultural heritage is not harmed (Section 23 Aboriginal Cultural Heritage Act 2003 (QLD)). The “Cultural Heritage Duty of Care Guidelines”, published by Gazette on 16 April 2004, outline how the cultural heritage duty of care requirement is met.

If a breach of the cultural heritage duty of care is demonstrated, the maximum penalties are \$750,000 for a corporation and \$75,000 for an individual.

There are no current recorded sites of Aboriginal cultural heritage interest within the Queensland Exploration Tenement or the Queensland Mining Tenements.

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It is recommended that an assessment of any proposed exploration or mining activity be compared against the “Cultural Heritage Duty of Care Guidelines” in order to determine whether, or to what extent, Aboriginal cultural heritage may be affected by the activity. It is also recommended that a search of the Cultural Heritage Register and Cultural Heritage database be conducted prior to commencement of exploration activities.

2.1.12. Future Obligations

Rehabilitation of any current and future exploration disturbances will be necessary and the relevant requirements are detailed in the particular Environmental Code and/or the relevant EA.

The activities conducted under the authority of the Queensland Exploration Tenement and Queensland Mining Tenements are likely to result in the creation of environmental liabilities for the holders. The environmental liabilities will commence when exploration/mining causes on-site ground disturbance. When any disturbed area has been satisfactorily rehabilitated, the environmental liability in respect to that area will cease.

If exploration is conducted on Native Title land, additional costs in respect to Native Title consultation, negotiation and compensation payments and cultural heritage site clearances would be anticipated.

The holders of the Queensland Exploration Tenement and Queensland Mining Tenements may apply to renew the tenements for further terms. Any renewal applications should be lodged between six months and three months in the case of the EPM and between 12 months and 6 months for Mining Leases prior to the relevant expiry date. Rental as outlined in the Schedule is payable annually on the anniversary of grant of the EPM and on 30 September for the Mining Leases.

The MRA requires the holder of the granted Queensland Exploration Tenement to periodically reduce the area of each of the granted Queensland Exploration Tenement. Reference should be made to the Schedule for details of the reduction requirements applicable to the granted Queensland Exploration Tenement.

Pursuant to Section 139 of the MRA, the holder of the granted Queensland Exploration Tenement may make application to DEEDI to vary these reduction requirements.

It appears that there may be significant financial obligations owed to caveators claiming an interest in respect to ML 3417 and ML 3418.

2.2 NEW SOUTH WALES TENEMENTS

2.2.1. General

Unless otherwise stated, the following information has been obtained from the New South Wales Department of Industry and Investment (“the Department”), the NNTT, the Department of Environment, Climate Change and Water (“the DECCW”) and the New South Wales State Heritage Register.

Much of the information obtained from the Department has been so obtained from the Department’s Tenement Administration System (“TAS”). This report is subject to the proviso that the TAS may contain errors and is not always reliable. Where possible, the information obtained from TAS has been verified against other available information, such as Exploration Licence instruments, electronic maps, etc.

The New South Wales Tenements (“the NSW Tenements”) are comprised of Exploration Licences No’s 7036 (“EL 7036”), 7039 (“EL 7039”), 7041 (“EL 7041”), 7045 (“EL 7045”), 7046 (“EL 7046”), 7082 (“EL 7082”), 7155 (“EL 7155”), 7159 (“EL 7159”), 7173 (“EL 7173”), 7195 (“EL 7195”), 7332 (“EL 7332”) and 7423 (“EL 7423”).

The NSW Tenements have been granted pursuant to the terms of the New South Wales Mining Act 1992 (“the NSW Mining Act”).

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Basic details of the NSW Tenements are set out in the Schedule.

Icarus Mines Pty Ltd is the registered holder of EL 7036, EL 7039, EL 7041, EL 7045, EL 7046, EL 7082, EL 7155, EL 7159, EL 7173 and EL 7195.

Fortius Mines Pty Ltd is the registered holder of EL 7332 and EL 7423.

The NSW Tenements apply to Group 1 minerals, which are metallic minerals such as gold, silver, copper, iron minerals etc.

EL 7036, EL 7039, EL 7041, EL 7045, EL 7046, EL 7082, EL 7155, EL 7159, EL 7082, EL 7173, EL 7195 and EL 7423 allow exploration by all methods (although some methods require additional approval by the Environment Branch of the Department or other Government instrumentalities).

EL 7332 allows exploration by low-impact methods. A low-impact Exploration Licence is excluded from the Right to Negotiate process of the NTA and authorises only a limited range of prospecting operations (see Section 2.2.9 below).

The current terms of EL 7155, EL 7159, EL 7173 and EL 7195 have expired but continue in force pending the determination of application for renewal. Renewal has been sought over all the units over which the Licences were in effect for a further period of two years. Details of special circumstances to support the renewal of each Exploration Licence without reduction have been lodged with the Department (Section 114(6) NSW Mining Act).

2.2.2. Exclusions

The terms of the Exploration Licence instruments in respect to the NSW Tenements exclude land vested in the Commonwealth of Australia and any land subject to a National Park, regional park, historic site, nature reserve, karst conservation reserve or Aboriginal area which existed at the date of grant.

National Parks

Approximately 3 per cent of EL 7332 has been excluded by the Sherwood Nature Reserve, which is situated on the north-eastern boundary of EL 7332, the Ulidarra Nature Reserve, which is situated on the south-eastern boundary of EL 7332, the Corambra Nature Reserve, which is situated in the centre of EL 7332, and the Solitary Islands Marine Park, which is situated on the eastern boundary of EL 7332.

Approximately 0.3 per cent of EL 7195 is subject to the Pomaderris Nature Reserve. However, the Pomaderris Nature Reserve was gazetted on 13 August 2010, after the grant of EL 7195. The EL 7195 Licence Instrument provides that only land subject to a Nature Reserve at the date of grant of the Licence is excluded from the Licence area.

Mining Reserves

Less than 1 per cent of the EL 7332 area is subject to Mining Reserve No's 1454, 2039 and 2243. These Mining Reserves prohibits the grant of a Mineral Claim within the relevant area.

Less than 1 per cent of the EL 7195 area is subject to Mining Reserve No 2814. This Mining Reserve prohibits the grant of a Mining Lease within the relevant area.

Flora Reserves

Approximately 1.4 per cent of the EL 7332 area is subject to the Bruxner Park Flora Reserve. This Flora Reserve prohibits the grant of an Exploration Licence, Assessment Lease, Mining Lease or Mineral Claim within the relevant area.

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Time does not permit an investigation into whether there is any land vested in the Commonwealth of Australia, historic site, nature reserve, regional reserve, karst conservation reserve or Aboriginal area, although it is considered unlikely that there are large areas of such land within the NSW Tenements.

2.2.3. Other Titles and Applications

NSW Mining Act

EL 7039

EL 7039 partially conflicts with Mining Lease Application No 113 (1992), applied for by Ivanplats Syerston Pty Ltd on 11 August 1998. This Mining Lease Application has been applied for to mine 46 minerals and is excluded from EL 7039 by Section 19 of the NSW Mining Act and the EL 7039 Licence instrument.

EL 7155

EL 7155 conflicts with Mining Lease No 1466 (1992), held by Sibelco Australia Limited. The Mining Lease, which is subject to a 30 metre depth restriction, has been granted to mine kaolin and is excluded from EL 7155 by Section 19 of the NSW Mining Act and the EL 7155 Licence instrument from the surface of the earth to a depth of 30 metres. Below 30 metres EL 7155 remains in force.

EL 7155 partially co-exists with Exploration Licence No 4948 (1992), Exploration Licence No 6093 (1992) and Authorisation No 286 (1973), held by the Director General of the New South Wales Department on behalf of the Crown, all for Group 9 minerals. In the event that exploration rights for different minerals do co-exist, any party to any operational conflict between the titles may apply to the Land and Environment Court for a determination of the matter.

EL 7195

EL 7195 partially co-exists with Exploration Licence No 7601 (1992) ("EL 7601") held by ABX2 Pty Ltd held for Group 2 Non-Metallic Minerals. Should any operational conflict between the titles arise, application would be made to the Land and Environment Court for a determination of the matter.

EL 7332

EL 7332 conflicts with Mining Lease No 1259 (1973), held by Kenneth George Peters, Norman Noel Dennis, Roby Michael Leu and Graham Thomas. The Mining Lease, which is subject to a part 10 metre surface exception, has been granted to mine gold and is excluded from EL 7332 by Section 19 of the NSW Mining Act and the EL 7332 Licence instrument from the surface of the earth to a depth of 10 metres. Below 10 metres EL 7332 remains in force.

EL 7423

EL 7423 conflicts with Assessment Lease No 10 (1992), held by Peter Penklis, Danica Sirol and Graziano Sirol, and Assessment Lease No 11 (1992), held by Tiwana Pty Ltd. The Assessment Leases, which have been granted to prospect for gold, silver and copper, are excluded from EL 7423 by Section 19 of the NSW Mining Act and the EL 7423 Licence instrument.

EL 7423 partially overlaps Exploration Licence Application No 4144 (1992) ("ELA 4144") applied for by Wattle Resources N. L. for Group 1 minerals. Pursuant to Section 19 of the NSW Mining Act, an Exploration Licence may not be granted in satisfaction of ELA 4144 in respect to the land subject to EL 7423.

Petroleum (Onshore) Act 1991 (NSW) ("the Petroleum Act")

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EL 7082

EL 7082 co-exists with Petroleum Exploration Licence Application No 121 (1991) ("PELA 121"), which is held by Cydonia Resources Pty Ltd. Should a Petroleum Exploration Licence be granted in satisfaction of PELA 121, then in the event of any operational conflict between the titles, any party to the dispute may apply to the Land and Environment Court for a determination of the matter (Section 73 Petroleum Act).

EL 7173, EL 7036 and EL 7159

EL 7173 co-exists with and EL 7036 and EL 7159 partially co-exist with Petroleum Exploration Licence No 482 (1991), which is held by Surat Resources Pty Limited. In the event of any operational conflict between the titles, any party to the dispute may apply to the Land and Environment Court for a determination of the matter (Section 73 Petroleum Act).

EL 7155

EL 7155 co-exists with Petroleum Exploration Licence No 456 (1991), which is held by Macquarie Energy Pty Ltd. In the event of any operational conflict between the titles, any party to the dispute may apply to the Land and Environment Court for a determination of the matter (Section 73 Petroleum Act).

EL 7332

EL 7332 co-exists with Petroleum Special Prospecting Authorisation Application No 53 (1991) ("PSPAPP 53"), which is held by Pangea Oil & Gas Ltd. Should a Petroleum Exploration Licence be granted in satisfaction of PSPAPP 53, then in the event of any operational conflict between the titles, any party to the dispute may apply to the Land and Environment Court for a determination of the matter (Section 73 Petroleum Act).

2.2.4. Encumbrances

There are no encumbrances registered against any of the NSW Tenements.

2.2.5. State Forests and State Conservation Areas

Approximately 8.6 per cent of the EL 7045 area is subject to the Weelah State Forest, Nerang Cowal State Forest, Euglo South State Forest, Lake View State Forest and Corringle State Forest.

Less than 1 per cent of EL 7155 is subject to the Cope State Forest.

Approximately 45 per cent of the EL 7332 area is subject to the Bagawa State Forest, Boambee State Forest, Conglomerate State Forest, Gundar State Forest, Lower Bucca State Forest, Nana Creek State Forest, Orara East State Forest, Orara West State Forest and Wedding Bells State Forest.

State Forests are not excluded from Exploration Licences, but exploration activities within State Forests are subject to specific requirements.

Forests NSW is a landholder for the purposes of the NSW Mining Act. It is therefore necessary to enter into an access agreement with Forests NSW before commencing prospecting in a State Forest (Section 140 of the NSW Mining Act).

State Forests are exempted areas for the purposes of Section 30 of the NSW Mining Act. This provision requires the consent of the Minister for Mineral and Forest Resources before carrying out exploration activities within exempted areas. Such consent would entail environmental assessment of the proposed exploration by the Department. It would also be expected that such consent would be granted only in consultation with Forests NSW and subject to the terms of an access agreement reached with Forests NSW.

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Less than 1 per cent of the EL 7332 area is subject to the Bindarri State Conservation Area.

Less than 1 per cent of the EL 7195 area is subject to the Bungonia State Conservation Area.

State Conservation Areas are exempted areas under the NSW Mining Act and pursuant to the requirements of Section 30 of the NSW Mining Act and Section 47J(7) of the National Parks and Wildlife Act 1974 ("NPW Act"), the Licence holder may not exercise rights pursuant to the Licence within State Conservation Areas except with the consent of the Minister for Mineral and Forest Resources, given with the approval of the Minister for the Environment (see also Section 2.2.6 below). A Review of Environmental Factors must also be prepared and submitted for approval according to Department guidelines at least 6 weeks prior to the commencement of any prospecting operations.

2.2.6. Exploration Licence Conditions

EL 7036, EL 7039, EL 7041, EL 7045, EL 7046, EL 7082, EL 7155, EL 7159, EL 7173, EL 7195 and EL 7423

The conditions attached to the Exploration Licence instruments relate to environmental management of exploration, drilling requirements, reporting requirements, expenditure commitments, clearing of vegetation, rehabilitation of disturbed land and lodgement of security deposits.

The Exploration Licence instruments also contain conditions relating to Native Title (see Section 2.2.9 below).

In addition to the foregoing, the following conditions apply to the relevant NSW Tenements:

- Condition No 48 of EL 7036 stipulates that the Exploration Licence holder must ensure that prospecting operations that will utilise methods that are likely to cause interference with the Parkes Radio Telescope during its operational hours, are conducted in co-operation with the CSIRO.
- Condition No 48 of EL 7155 provides that the Exploration Licence holder shall prior to commencement of exploration on land also subject to EL 4948, EL 6093 and Auth 286 liaise with the holder of such and the Director General of the Department, to outline the proposed program.
- Condition No 49 of EL 7155 provides that the Exploration Licence holder shall promptly notify the Department of any coal intersections in drillholes and the occurrence of any hydrocarbons.
- Condition No 50 of EL 7155 provides all coal intersections in cored portion of any drillholes shall be retained in appropriate core boxes.
- Condition No 51 of EL 7155 provides for drillholes within the coal measure sequence, the Exploration Licence holder shall adhere to the completion of drill holes, as indicated in the Department's policy document EDG01 – "Coal Exploration Guidelines for Borehole Sealing Requirements on Land".
- Condition No 52 of EL 7155 provides that the Exploration Licence holder shall notify the Department of any surface mapping and surveying that is conducted over any coal measure sequence.
- Condition No 4 of EL 7195 provides that the Exploration Licence holder must not commence prospecting operations in a State Conservation Area without obtaining prior written consent from the Minister and subject to any conditions that may be stipulated (see above Section 2.2.5).

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- Condition No 7 of EL 7195 relates to the additional obligations of the Exploration Licence holder when conducting prospecting operations within any area under the control of the Sydney Catchment Authority.
- Condition No 9 of EL 7195 stipulates that the Exploration Licence holder must not clear, drain or fill the land or construct a levee on a wetland without written approval of the Department. Approval may be granted subject to conditions and is subject to the concurrence of the Director-General of the Department of Planning. "Wetlands" means wetlands mapped as such under the State Environmental Planning Policy No 14 – Coastal Wetlands ("SEPP 14").

EL 7332

Low-impact Exploration Licences are excluded from the Right to Negotiate process of the NTA but authorise only a limited range of prospecting operations (see Section 2.2.9 below).

The conditions attached to the EL 7332 Licence instrument relate to authorised prospecting methods, environmental management of exploration activities, access, drilling and core sampling requirements, rehabilitation of disturbed land, safety requirements, interference with infrastructure and utilities, clearing of trees and vegetation, prevention of erosion and pollution, coastal wetlands, water use, preservation of aboriginal objects or places, expenditure and reporting requirements, maintenance of security and exercise of rights within State Conservation Areas.

2.2.7. Expenditure and Reporting Requirements

Compliance with the expenditure and reporting requirements of an Exploration Licence is important because those matters are considered by the Department when determining whether or not to renew that Exploration Licence, and if so, whether to renew the Exploration Licence in full, or to require a 50 per cent reduction in the Exploration Licence area upon renewal.

The Department advises that reporting and expenditure commitments attached to the NSW Tenements have not been met.

The current annual expenditure commitment for each of the NSW Tenements is noted in the Schedule.

2.2.8. Access and Compensation

It is necessary to enter into a written access agreement with a landholder prior to carrying out exploration on land which is owned or occupied. A landholder is entitled to compensation for all compensable loss caused to such land by exploration (Section 263(1) NSW Mining Act). In the event that an agreement cannot be reached with the landholder, the matter can be referred to arbitration, and if not resolved, to the Land and Environment Court for determination.

It is necessary for the holder of an Exploration Licence to obtain the prior written consent of the owner of any dwelling house, garden or improvement before carrying out exploration within 200 metres of the relevant dwelling house, within 50 metres of the relevant garden or on the land subject to the relevant improvement (Section 31 NSW Mining Act).

In addition to the above, the holder of EL 7332, which is a low-impact Exploration Licence, is not authorised to carry out prospecting operations on any relevant land otherwise than in accordance with an access arrangement with any registered Native Title body corporate or registered native title claimants (see below Section 2.2.9 for further details).

2.2.9. Native Title

The full 100 per cent of EL 7036, 55 per cent of EL 7155, 68 per cent of EL 7159 and less than 1 per cent of EL 7423 is subject to the Wellington Valley Native Title Claim NC09/4.

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The full 100 per cent of EL 7046 is subject to the Barkandji Traditional Owners 8 Native Title Claim NC 97-32.

Approximately 50 per cent of EL 7195 is subject to the Gundungurra Tribal Aboriginal Corporation Native Title Claim NC 97/7.

None of the other NSW Tenements are affected by a Native Title Claim.

The issue of whether or not a Native Title Claim applies to the land subject to the NSW Tenements is irrelevant to the requirement to comply with the Native Title processes prescribed by the NTA if the relevant land is land where Native Title exists or may exist ("Native Title land"). The threshold question when considering Native Title issues is therefore whether or not the relevant land is Native Title land or, in other words, whether or not Native Title has been extinguished. If Native Title has been extinguished, then it is not necessary to consider whether or not there is a Native Title Claim in respect to the relevant land before carrying out exploration.

If Native Title has not been extinguished, then it will (except in very specific circumstances) be necessary to comply with Native Title processes before carrying out exploration. The presence of a registered Native Title Claim simply means that it will be necessary to reach an agreement with the Native Title Claimants before proceeding with the relevant exploration activity. This may not be the case where there is currently no registered Native Title Claim, although in that case it is still necessary to undergo the Right to Negotiate process prescribed by the NTA or other Native Title process.

As a general statement, it can be said that Native Title has been extinguished in much of New South Wales. Nonetheless, it is likely that all of the NSW Tenements contain at least some Crown land. The status of any Native Title in land cannot be determined with certainty until a thorough search of each parcel of land is carried out. Such searches are beyond the scope of this report.

All of the Exploration Licences, except EL 7332, contain the "Minister's consent" condition. This means that before carrying out exploration on Native Title land, the Minister's consent must be obtained. The Minister will not grant that consent until the Right to Negotiate process prescribed by the NTA has been undergone.

EL 7332

As a low-impact Exploration Licence, EL 7332 is excluded from the Right to Negotiate process prescribed by the NTA. This means that subject to obtaining an access arrangement with any registered Native Title body corporate or registered Native Title claimants, prospecting operations authorised by the low-impact Exploration Licence may be conducted on land where Native Title has not been extinguished.

The access arrangement must address matters specified in Section 26A(7) of the NTA. These matters include the protection and avoidance of any area or site on the land or waters to which Native Title rights and interests relate, access to the land or waters to which native title rights and interests relate and the way in which any act that affects Native Title rights and interests is done.

The kinds of prospecting operations authorised by a low-impact Exploration Licence include aerial surveys, geological and surveying field work that does not involve, clearing, sampling by hand methods, ground-based geophysical surveys that do not involve clearing, drilling and activities associated with drilling and the establishment of a drill site, that do not involve clearing or excavation, other than the minimum, necessary to establish a drill site and environmental field work that does not involve clearing.

The holder of EL 7332 may apply for a variation of the prospecting operations authorised under the Exploration Licence to allow for other kinds of prospecting operations. Any variation would apply to the whole of the licence area and if approved, the Exploration Licence would cease to be a low-impact Exploration Licence. The Right to Negotiate process prescribed by the NTA would apply to any proposed variation of EL 7332.

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2.2.10. Aboriginal Places and Objects

An Aboriginal object is any material evidence relating to Aboriginal habitation of an area. An Aboriginal place is a place declared as such by the Minister administering the NPW Act, because that place is deemed to have special significance to Aboriginal culture. An Aboriginal place may or may not contain Aboriginal objects.

Aboriginal places and objects are registered on the Aboriginal Heritage Information Management System ("AHIMS") of the DECCW. A search of AHIMS indicates that there are several places and objects located within or in close proximity to the NSW Tenements.

Pursuant to Section 86(2) and (4) of the NPW Act, it is a strict liability offence to harm an Aboriginal object, or harm or desecrate an Aboriginal place. It is also an offence to harm or desecrate an Aboriginal object that the person knows is an Aboriginal object pursuant to Section 86(1) of the NPW Act. It may be necessary to apply for an Aboriginal Heritage Impact Permit if the activities contemplated in exercising rights under the NSW Tenements are likely to cause damage to Aboriginal objects or places. The prohibitions contained in Section 86(1), (2) and (4) of the NPW Act apply whether or not the Aboriginal place or Aboriginal object has been registered on the AHIMS.

A defence is available to a person charged with a strict liability offence pursuant to Section 87 of the NPW Act. Pursuant to Section 87(2) of the NPW Act, the defendant must show that the defendant exercised due diligence to determine whether the act or omission constituting the alleged offence would harm an Aboriginal object, and reasonably determined that no Aboriginal object would be harmed.

It should be emphasised that the issue of Aboriginal places and objects is entirely separate to that of Native Title.

2.2.11. Heritage Sites

There are a number of items listed on the State Heritage Inventory in respect to the local government areas in which the NSW Tenements are located. Whilst the geographical location of some entries on the State Heritage Inventory is unclear, the Company must exercise normal caution when carrying out exploration. If the Company comes across what may be a heritage item in the course of exploration, it should check with the local Shire Council and/or the New South Wales Heritage Council.

2.2.12. Future Obligations

The holder has an ongoing obligation to comply with the terms and conditions of grant of the NSW Tenements, including satisfaction of the expenditure conditions, unless otherwise varied by the Department.

Rehabilitation of any current and future exploration disturbances will be necessary and will need to be conducted in accordance with the conditions of the NSW Tenements, as well as any conditions of any additional consent that might be issued in accordance with the requirements of law or those conditions.

The activities conducted under the authority of the NSW Tenements are likely to result in the creation of environmental liabilities for the holders. The environmental liabilities will commence when exploration causes on-site ground disturbance. When any disturbed area has been satisfactorily rehabilitated, the environmental liability in respect to that area will cease.

If exploration is conducted on Native Title land, additional costs in respect to making an application for the Minister's consent to conduct activities on Native Title land, the "Right to Negotiate", Native Title consultation, negotiation and compensation payments and cultural heritage site clearances should be anticipated.

The holders of the NSW Tenements may apply to renew the NSW Tenements for further terms. The renewal applications should be lodged between two months and one month prior to the relevant expiry date.

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The NSW Mining Act requires the holder of the Tenements to periodically reduce by half the area of each of the Tenements. Pursuant to Section 114(6) of the NSW Mining Act, the holder of the NSW Tenements may make application to the Department to vary these reduction requirements.



RUSSELL HETHERINGTON

4 March 2011

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SCHEDULE

Queensland Tenements

PROJECT	TENEMENT	STATE	REGISTERED HOLDER	COMMENCEMENT OF TERM	EXPIRY DATE	STATUS	AREA	SECURITY		EXPENDITURE COMMITMENT (PA)	RENT (CURRENT TERM INCLUDING GST)	MINERALS	REGISTERED ENCUMBRANCES
								REQUIRED	HELD				
Forsayth	EPM 14498	QLD	Altius Mining Ltd	16-01-2006	15-01-2011 Note 1	Granted (renewal pending)	Y6 – 18 Y7 – 18 Y8 – 12 Y9 – 10 Y10 – 2 Note 2	\$2,500	\$2,500	Y6 - \$100,000 Y7 - \$150,000 Y8 - \$200,000 Y9 - \$250,000 Y10 - \$300,000 Note 2	\$2,220.30	All Minerals except Coal	None Recorded
Ropewalk	ML 3417	QLD	Altius Mining Ltd	01-04-1987	31-03-2018	Granted	130 HA	NOTE 3	NOTE 3	N/A	\$6,194.50	Silver, Gold, Copper, Lead, Zinc	Refer to Section 2.1.9 of report
Ropewalk	ML 3418	QLD	Altius Mining Ltd	01-04-1987	31-03-2018	Granted	110 HA	NOTE 3	NOTE 3	N/A	\$5,241.50	Silver, Gold, Copper, Lead, Zinc	Refer to Section 2.1.9 of report

NOTES:

NOTE 1 – An application to renew the tenement for a further term of 5 years has been lodged with DEEDI

NOTE 2 – Expenditure and/or sub-block retention requirements as detailed in the pending renewal application

NOTE 3 – A total security deposit of \$253,351.82 is currently held against ML 3417 and ML 3418 (combined) by DEEDI. Only \$202,498.82 is required to be held. DEEDI will refund \$50,853.00 (cash) to the holder in the near future.

New South Wales Tenements

TENEMENT	STATE	REGISTERED HOLDER	GRANT DATE	EXPIRY DATE	STATUS	AREA (UNITS)	SECURITY		EXPENDITURE COMMITMENT (PA)	ENCUMBRANCES	MINERALS
							REQUIRED	HELD			
EL 7036	NSW	Icarus Mines Pty Ltd	24-01-2008	24-01-2012	Current	134	\$20,000	\$20,000 (cash)	\$164,000	Nil	Group 1
EL 7039	NSW	Icarus Mines Pty Ltd	24-01-2008	24-01-2012	Current	79	\$10,000	\$10,000 (cash)	\$109,000	Nil	Group 1
EL 7041	NSW	Icarus Mines Pty Ltd	24-01-2008	24-01-2012	Current	89	\$10,000	\$10,000 (cash)	\$119,000	Nil	Group 1
EL 7045	NSW	Icarus Mines Pty Ltd	24-01-2008	24-01-2012	Current	110	\$20,000	\$20,000 (cash)	\$140,000	Nil	Group 1
EL 7046	NSW	Icarus Mines Pty Ltd	25-01-2008	25-01-2012	Current	204	\$20,000	\$20,000 (cash)	\$234,000	Nil	Group 1
EL 7082	NSW	Icarus Mines Pty Ltd	19-02-2008	19-02-2012	Current	75	\$10,000	\$10,000 (cash)	\$105,000	Nil	Group 1
EL 7155	NSW	Icarus Mines Pty Ltd	23-06-2008	23-06-2010	Renewal Pending	73	\$10,000	\$10,000 (cash)	\$56,500	Nil	Group 1
EL 7159	NSW	Icarus Mines Pty Ltd	23-06-2008	23-06-2010	Renewal Pending	55	\$10,000	\$10,000 (cash)	\$47,500	Nil	Group 1
EL 7173	NSW	Icarus Mines Pty Ltd	08-07-2008	08-07-2010	Renewal Pending	90	\$10,000	\$10,000 (cash)	\$65,000	Nil	Group 1
EL 7195	NSW	Icarus Mines Pty Ltd	28-08-2008	28-08-2010	Renewal Pending	121	\$20,000	\$20,000 (cash)	\$80,500	Nil	Group 1
EL 7332	NSW	Fortius Mines Pty Ltd	16-04-2009	16-04-2011	Current (Low Impact)	95	\$10,000	\$10,000 (cash)	\$67,500	Nil	Group 1
EL 7423	NSW	Fortius Mines Pty Ltd	30-11-2009	30-11-2011	Current	62	\$10,000	\$10,000 (cash)	\$51,000	Nil	Group 1



Exploration & Mining Title Services Pty Limited



10.1. INTRODUCTION

This Section provides a summary of the Historical and Pro Forma Financial Information (“The Historical Financial Information”) of Altius Mining Limited and its subsidiaries (“the Group”). The Pro Forma Statement of Financial Position as at 31 December 2010 has been prepared by the Directors and assumes completion of the transactions contemplated in Section 10.4 (Notes 1a and 1b).

All Historical Financial Information presented in this Section should be read in conjunction with the Investigating Accountant's Report (Section 11), the risk factors Section (Section 4) and other information contained within this Prospectus.

The Directors are responsible for the inclusion of all financial information in this Prospectus. PricewaterhouseCoopers Securities Ltd has prepared an Investigating Accountant's Report in respect of the Historical and Pro Forma Statement of Financial Position, which is contained in Section 11.

10.2. BASIS OF PREPARATION

The Historical Financial Information in this Section has been prepared in accordance with the measurement and recognition criteria of Australian Accounting Standards and should be read in conjunction with the information and significant accounting policies set out below and other information contained within this Prospectus. The Historical Financial Information contained in this Prospectus is presented in an abbreviated form and does not contain all the disclosures that are usually provided in an Annual report prepared in accordance with the requirements of the Corporations Act.

The Historical Financial Information has been derived from the financial statements as at 31 December 2010 which was prepared in accordance with Australian Accounting Standards and reviewed by BDO. A full copy of the Altius Mining Limited accounts can be found on the company's website www.altiusmining.com.au as the Group was in a net current liabilities position at 31 December 2010, BDO issued a modified review opinion which referred to an material uncertainty regarding the Group's ability to continue as a going concern. Subsequent to the year end, the Group has raised additional committed funds through the issue of ordinary shares in order to continue as a going concern until such time as the Group is listed. This capital raising has been presented in this Section as a subsequent event adjustment (Note 1a).

On IPO, the Group's secured borrowings and capitalised interest (\$7,540,000 as at 31 December 2010) are intended to be converted to ordinary shares, which will result in the Group being in a net asset position. This conversion has been presented in this Section as an IPO adjustment (Note 1b).

10.3. HISTORICAL INCOME STATEMENTS

For the periods prior to 31 December 2010, the Group's activity had been directed towards exploration and it did not have any operating revenues. The near term production of gold will result in a fundamental change to the financial performance of the Group. When considered together with the impact of the revised capital structure, the Directors consider that the historical financial performance does not represent meaningful or appropriate information. Despite this consideration, presented in the table below is a summary of the income statement incurred for the 6 month period ended 31 December 2010 extracted from the financial statements which were reviewed by BDO.

Reviewed Income Statement

	\$	\$
Brought Forward Losses @ 30 June 2010		(6,549,541)
TOTAL REVENUE	580,734	
Employee benefit expenses	(476,343)	
Depreciation and amortisation expenses	(1,028)	
Professional, consulting and management expenses	(549,759)	
Prospectus and promotional expenses	(110,944)	
Rent and storage expenses	(35,914)	
Financial costs	(236,912)	
Other expenses	(171,573)	
TOTAL EXPENSES	(1,582,473)	
Income tax benefit	48,938	
Loss for the six months ended 31 December 2010		(952,801)
Carried Forward Losses at 31 December 2010		(7,502,342)

10.4. FORECAST INCOME STATEMENTS

The Directors have given careful consideration to whether forecast financial statements (including any internally created models) can and should be included in the Prospectus in respect of the Group. In particular, the Directors have considered whether there is a reasonable basis for the preparation and disclosure in the Prospectus of reliable and useful forecast financial statements in this regard. The Directors have concluded that forecast financial statements for the Group cannot be provided in the Prospectus as it does not have a reasonable basis for such forecasts as required by applicable law and practice, and therefore the forecasts would not be material to prospective shareholders. The considerations which have resulted in this conclusion include the transition of the Group as it moves from exploration to production, such that forecasts can no longer be reliably based on previous historical performance; and changes in variables which are beyond the control of the Group, such as gold prices.

10.5. PRO FORMA STATEMENT OF FINANCIAL POSITION

Set out below is the reviewed Statement of Financial Position as at 31 December 2010 ("the Reviewed Statement of Financial Position") and the Pro Forma Statement of Financial Position as at 31 December 2010 ("the Pro Forma Statement of Financial Position"). The Reviewed Statement of Financial Position has been adjusted to reflect the adjustments set out at note 1 below relating to Subsequent Events and Pro Forma IPO adjustments.



	Notes	Reviewed 31 December 2010	Subsequent Events Note 1a	Pro Forma IPO Adjustments Note 1b	Pro Forma 31 December 2010
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	3	1,351,721	1,200,000	7,140,000	9,691,721
Other assets	4	<u>510,938</u>	-	<u>(465,854)</u>	<u>45,084</u>
TOTAL CURRENT ASSETS		<u>1,862,659</u>	<u>1,200,000</u>	<u>6,674,146</u>	<u>9,736,805</u>
NONCURRENT ASSETS					
Other assets		225,525	-	-	225,525
Property, plant and equipment	5	696,882	-	-	696,882
Exploration and evaluation assets	6	<u>11,671,084</u>	-	-	<u>11,671,084</u>
TOTAL NONCURRENT ASSETS		<u>12,593,491</u>	-	-	<u>12,593,491</u>
TOTAL ASSETS		<u>14,456,150</u>	<u>1,200,550</u>	<u>6,674,146</u>	<u>22,330,296</u>
CURRENT LIABILITIES					
Trade and other payables	7	2,221,783	(1,300,000)	-	921,783
Borrowings	8	7,840,000	-	(7,540,000)	300,000
Provisions		<u>2,367</u>	-	-	<u>2,367</u>
TOTAL CURRENT LIABILITIES		<u>10,064,150</u>	<u>(1,300,000)</u>	<u>(7,540,000)</u>	<u>1,224,150</u>
NON CURRENT LIABILITIES					
Other payables		1,461,450	-	-	1,461,450
TOTAL NON CURRENT LIABILITIES		<u>1,461,450</u>	-	-	<u>1,461,450</u>
TOTAL LIABILITIES		<u>11,525,600</u>	<u>(1,300,000)</u>	<u>(7,540,000)</u>	<u>2,685,600</u>
NET ASSETS		<u>2,930,550</u>	<u>2,500,000</u>	<u>14,214,146</u>	<u>19,644,696</u>
TOTAL EQUITY		<u>2,930,550</u>	<u>2,500,000</u>	<u>14,214,146</u>	<u>19,644,696</u>

10.6. NOTES TO THE FINANCIAL STATEMENTS

The Pro Forma Statement of Financial Position has been prepared by adjusting the Reviewed Statement of Financial Position to reflect the following transactions as if they had occurred at 31 December 2010.

NOTE 1a SUBSEQUENT EVENTS

- In February and March 2011, \$2,500,000 pre IPO monies was committed to be raised via the issuance of 15,625,000 ordinary shares with an exercise price of 16 cents. The funding was used to settle the purchase of the NSW tenements for \$1,300,000 and the remaining \$1,200,000 included in cash.

NOTE 1b PRO FORMA IPO ADJUSTMENTS

- The issue of 40,000,000 ordinary fully paid shares at 20 cents each to raise the minimum \$8,000,000 capital pursuant to the Prospectus, the issue of 750,000 shares to the Sponsoring Broker, net of cash costs of \$860,000 associated with the capital raising and non cash costs of \$150,000 being the shares issued to the Sponsoring Broker (section 14.11 provides a breakdown of these costs).
- The issue of 52,904,899 ordinary fully paid shares to effect the conversion of convertible notes will result in a \$7,540,000 reclassification of current borrowings to share capital.
- The release of prepaid expenses related to the IPO of \$465,854 and subsequent reclassification from current assets to equity.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been adopted in the preparation of the Historical Financial Information are outlined below.

(a) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and equipment

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets are depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

(b) Intangibles**Exploration and Evaluation Assets**

Mining tenements have a finite useful life and are carried at cost less any accumulated amortisation and impairment losses. The carrying values of mining tenements are reviewed to ensure they are not in excess of their recoverable amounts. Amortisation of mining tenements commences from the date when commercial production commences and is charged to the income statement as cost of sales. Mining tenements are amortised over the life of the mine using a units of production method.

Exploration and evaluation assets are recognised when rights to explore are current and expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale. Expenditure relating to the initial search for deposits with economic potential will not be capitalised. After recognition, the cost model will be applied.

Costs associated with exploration and evaluation activity relating to Exploration Licenses and Mining Licenses are currently expensed in the Income Statement, as in incurred.

Costs included in the initial measurement of exploration and expenditure assets comprise costs that are directly attributable to:

- acquisition of rights to explore
- researching and analysing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and/or
- compiling pre-feasibility and feasibility studies. Exploration and evaluation

The carrying values of capitalised evaluation amounts are reviewed twice per annum by management and the results of these reviews are reported to the Audit committee. In the case of undeveloped projects, there may be only inferred resources to form a basis for the impairment review. The review is based on a status report regarding the Group's intentions for development of the undeveloped project.

Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all irrecoverable costs associated with the project net of any related impairment provisions are written off.

(c) Impairment of assets

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicates that the carrying amount of the asset may be impaired. An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

The company assesses impairment of exploration and evaluation assets at each reporting date by evaluating conditions specific to the company that may lead to impairment of exploration and evaluation assets. Where an impairment trigger exists, the recoverable amount of the asset is determined based on fair value less costs to sell.

(d) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amounts of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are inclusive of GST.

The net amount of GST recoverable from or payable to the ATO is included as a current asset or liability in the Statement of Financial Position.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks.

(f) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

SECTION 10.

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the notes. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

NOTE 3: CASH AND CASH EQUIVALENTS	Reviewed 31 December 2010	Pro Forma 31 December 2010
Cash at bank	<u>1,351,721</u>	<u>9,691,721</u>

NOTE 4: OTHER ASSETS	Reviewed 31 December 2010	Pro Forma 31 December 2010
CURRENT		
Trade and other receivables	44,445	44,445
Prepayments	465,854	-
Current Tax assets	639	639
	<u>510,938</u>	<u>45,084</u>

NOTE 5: PROPERTY, PLANT AND EQUIPMENT	Reviewed 31 December 2010	Pro Forma 31 December 2010
Furniture, fixtures & fittings		
At cost	27,023	27,023
Less accumulated depreciation	<u>(7,569)</u>	<u>(7,569)</u>
	<u>19,454</u>	<u>19,454</u>
Property		
At cost	201,870	201,870
Less accumulated depreciation	<u>(6,400)</u>	<u>(6,400)</u>
	<u>195,470</u>	<u>195,470</u>
Plant and equipment		
At cost	484,629	484,629
Less accumulated depreciation	<u>(74,598)</u>	<u>(74,598)</u>
	<u>410,031</u>	<u>410,031</u>
Motor Vehicles		
At cost	82,330	82,330
Less accumulated depreciation	<u>(16,393)</u>	<u>(16,393)</u>
	<u>65,937</u>	<u>65,937</u>
Office equipment		
At cost	14,015	14,015
Less accumulated depreciation	<u>(8,025)</u>	<u>(8,025)</u>
	<u>5,990</u>	<u>5,990</u>
Total plant and equipment	<u>481,958</u>	<u>481,958</u>
Total property, plant and equipment	<u>696,882</u>	<u>696,882</u>

NOTE 6: INTANGIBLE ASSETS	Reviewed 31 December 2010	Pro Forma 31 December 2010
Exploration and evaluation assets	<u>11,671,084</u>	<u>11,671,084</u>

The directors note that the carrying value of the intangible assets is at cost for accounting purposes.

NOTE 7: PAYABLES	Reviewed 31 December 2010	Pro Forma 31 December 2010
CURRENT		
Unsecured liabilities		
Trade creditors	<u>921,783</u>	<u>921,783</u>
Secured liabilities		
Vendor finance mining assets ^a	<u>1,300,000</u>	-
	<u>2,221,783</u>	<u>921,783</u>

(a) Vendor finance was provided in respect of the acquisition of mining tenements acquired during 2008, and secured by the mining tenements but not subject to interest.

NOTE 8: BORROWINGS	Reviewed 31 December 2010	Pro Forma 31 December 2010
Secured liabilities - Convertible notes	7,540,000	-
Unsecured Loan	300,000	300,000
Current Liability	<u>7,840,000</u>	<u>300,000</u>
Convertible notes - interest bearing ^a	2,200,000	-
Convertible notes - non-interest bearing ^a	1,590,000	-
Convertible notes - vendor finance mining assets ^b	<u>3,750,000</u>	-
	<u>7,540,000</u>	<u>-</u>

(a) Convertible notes not entitled to interest have been classified as convertible notes – non-interest bearing. The balance is entitled to 10% per annum interest on the face value of the notes payable on the 12 month anniversary of issue. Convertible notes can be converted at the earlier of an IPO of the company or their maturity dates (from 31 December 2010 to 15 December 2011), and are able to be redeemed at the company's election at any time. The convertible notes – non-interest bearing were issued for 8 cents, 16 cents and 20 cents and the convertible notes – interest bearing were issued for 10 cents.

(b) Amounts due in respect of the vendor finance were not paid in accordance with the agreed payment schedule. In satisfaction of these past due amounts, the company issued convertible notes to the vendor of the mining tenements acquired during 2008.





The Directors
Altius Mining Limited
Post Office Box 473
Toorak
VIC 3142

8 April 2011

Subject: Investigating Accountant's Report on the Historical and Pro Forma Statements of Financial Position and the Financial Services Guide

We have prepared this report on certain historical financial information of Altius Mining Limited (the **Company**) for inclusion in a prospectus dated on or about 8 April 2011 (the **Prospectus**) relating to the issue of ordinary shares in the Company (the **Issue**).

Expressions defined in the Prospectus have the same meaning in this report.

The nature of this report is such that it should be given by an entity which holds an Australian financial services licence under the Corporations Act 2001. PricewaterhouseCoopers Securities Ltd, which is wholly owned by PricewaterhouseCoopers, holds the appropriate Australian financial services licence. This report is both an Investigating Accountant's Report, the scope of which is set out below, and a Financial Services Guide, as attached at Appendix A.

Background

The purpose of this Offer is to achieve the listing of the Company on the Australian Securities Exchange and to raise a minimum \$8 million by way of an issue of ordinary shares pursuant to this Prospectus.

Scope

The Company has requested PricewaterhouseCoopers Securities Ltd to prepare this investigating accountant's report (the **Report**) covering the following information:

Historical financial information

- a) the historical statement of financial position (**Historical Statement of Financial Position**) as at 31 December 2010; and

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- b) the pro forma statement of financial position as at 31 December 2010 (the **Pro Forma Statement of Financial Position**) which assumes completion of the proposed transactions as set out in section 10 of the Prospectus (the **Pro Forma Transactions**),

(Collectively the **Historical and Pro Forma Statements of Financial Position**)

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Historical and Pro Forma Statements of Financial Position to which this Report relates for any purposes other than the purpose for which it was prepared.

Scope of review of Historical and Pro Forma Statements of Financial Position

The Historical and Pro Forma Statements of Financial Position set out in Section 10.5 of the Prospectus have been extracted from the reviewed financial statements of the Company. The financial statements were reviewed by BDO that issued a modified review opinion, which without qualification, referred to the half year financial report indicating a net loss, as well as the current liabilities exceeding current assets. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and therefore, the company may be unable to release its assets and discharge its liabilities in the normal course of business.

The Pro Forma Statement of Financial Position incorporates such pro forma transactions and adjustments as the Directors considered necessary to present the Pro Forma Statement of Financial Position to reflect the Company going forward. The Directors are responsible for the preparation of the Historical and Pro Forma Statements of Financial Position, including the determination of the Pro Forma Transactions.

We have conducted our review of the Historical and Pro Forma Statements of Financial Position in accordance with Australian Auditing Standards applicable to review engagements. We made such inquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances including:

- a review of work papers, accounting records and other documents
- a review of the assumptions (which include the Pro Forma Transactions) used to compile the Pro Forma Statement of Financial Position
- a comparison of consistency in application of the recognition and measurement principles under Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by the Company disclosed in Section 10.6 of the Prospectus, and
- enquiry of Directors, management and others.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Historical and Pro Forma Statements of Financial Position.

**Review statement on Historical and Pro Forma Statements of Financial Position**

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that:

- the Pro Forma Statement of Financial Position has not been properly prepared on the basis of the Pro Forma Transactions
- the Pro Forma Transactions do not form a reasonable basis for the Pro Forma Statement of Financial Position
- the Historical and Pro Forma Statements of Financial Position set out in Section 10.5 of the Prospectus do not present fairly:
 - a) the Historical Statement of Financial Position as at 31 December 2010; and
 - b) the Pro Forma Statement of Financial Position as at 31 December 2010, assuming completion of the Pro Forma Transactions

in accordance with the recognition and measurement principles prescribed under Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by the Company disclosed in Section 10.6 of the Prospectus.

Subsequent events

Apart from the matters dealt with in this Report, and having regard to the scope of our Report, to the best of our knowledge and belief no material transactions or events outside of the ordinary course of business of the Company have come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

Independence or disclosure of interest

PricewaterhouseCoopers Securities Ltd does not have any interest in the outcome of the Issue other than the preparation of this Report and participation in due diligence procedures for which normal professional fees will be received.

Liability

PricewaterhouseCoopers Securities Ltd has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. The liability of PricewaterhouseCoopers Securities Ltd is limited to the inclusion of this Report in the Prospectus. PricewaterhouseCoopers Securities Ltd makes no representation regarding, and has no liability for, any other statements or other material in, or any omissions from, the Prospectus.

**Financial Services Guide**

We have included our Financial Services Guide as Appendix A to our Report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our Report.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'A Welsh', written over a light blue horizontal line.

Andy Welsh
Authorised Representative of
PricewaterhouseCoopers Securities Ltd



Appendix A – Financial Services Guide

PRICEWATERHOUSECOOPERS SECURITIES LTD

FINANCIAL SERVICES GUIDE

This Financial Services Guide is dated 8 April

- | | |
|--|---|
| <p>1. About us</p> <p>PricewaterhouseCoopers Securities Ltd (ABN 54 003 311 617, Australian Financial Services Licence no 244572) ("PwC Securities") has been engaged by Altius Mining Limited ("Altius") to provide a report in the form of an Investigating Accountant's Report on the Historical Financial Information (the "Report") for the inclusion in the prospectus dated on or about 8 April 2011.</p> <p>You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.</p> | <p>5. Fees, commissions and other benefits we may receive</p> <p>PwC Securities charges fees to produce reports, including this Report. These fees are negotiated and agreed with the entity who engages PwC Securities to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this Report our fees are fixed and amount to \$85,018 (excluding GST and out of pocket expenses).</p> <p>Directors or employees of PwC Securities, PricewaterhouseCoopers, or other associated entities, may receive partnership distributions, salary or wages from PricewaterhouseCoopers.</p> |
| <p>2. This Financial Services Guide</p> <p>This Financial Services Guide ("FSG") is designed to assist retail clients in their use of any general financial product advice contained in the Report. This FSG contains information about PwC Securities generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the Report, and how complaints against us will be dealt with.</p> | <p>6. Associations with issuers of financial products</p> <p>PwC Securities and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products. For example, PricewaterhouseCoopers may be the auditor of, or provide financial services to, the issuer of a financial product and PwC Securities may provide financial services to the issuer of a financial product in the ordinary course of its business.</p> |
| <p>3. Financial services we are licensed to provide</p> <p>Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities, interests in managed investment schemes, derivatives, superannuation products, foreign exchange contracts, insurance products, life products, managed investment schemes, government debentures, stocks or bonds, and deposit products.</p> | <p>7. Complaints</p> <p>If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner. In addition, a copy of our internal complaints handling procedure is available upon request.</p> <p>If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Financial Ombudsman Service ("FOS"), an external complaints resolution service. FOS can be contacted by calling 1300 780 808. You will not be charged for using the FOS service.</p> |
| <p>4. General financial product advice</p> <p>The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.</p> <p>You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.</p> | <p>8. Contact Details</p> <p>PwC Securities can be contacted by sending a letter to the following address:
Mr Andy Welsh
PricewaterhouseCoopers Securities Ltd
Freshwater Place
Southbank Boulevard
Southbank VIC 300</p> |

Altius is committed to implementing high standards of corporate governance, and has endorsed the ASX Corporate Governance (Council) Corporate Governance Principles and Recommendations (ASX Principles). Altius aims to follow the best practice recommendations for listed companies to the extent that it is practicable.

Where Altius' corporate governance practices do not correlate with the practices recommended by the Council, Altius does not consider it practicable or necessary to implement these principles due to the size and stage of development of its operations and the Board's reasoning for any departure is explained hereunder.

Set out below are the fundamental corporate governance practices of Altius.

12.1 THE BOARD LAYS SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Role of the Board

The Board's role is to govern Altius rather than to manage it. In governing Altius, the Directors must act in the best interests of Altius as a whole. Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of Altius. Each candidate will confirm that they have the necessary time to devote to their Company Board position prior to appointment. In addition, non-executive Directors receive formal letters of appointment setting out the key terms, conditions and expectations of their appointment.

Responsibilities of the Board

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of Altius. It is required to do all things that may be necessary to be done in order to carry out the objectives of Altius.

The Board is responsible for governing Altius and for setting the strategic direction of Altius and has thereby established the functions reserved to the Board. Board responsibilities are set out in the Altius Board Charter. The Board has established an Audit Committee and a Remuneration & Nomination Committee to assist it in discharging its functions. The Board Charter and Committee Charters are available on the Altius website (under "Corporate Governance").

The Board generally holds meetings on a monthly basis however additional meetings may be called as required.

In carrying out its governance role, the main task of the Board is to oversee the performance of Altius. The Board is committed to Altius' compliance with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body.

Relationship with Management

The Board has delegated responsibility for the day-to-day operations of Altius to senior executives as set out in the Board Charter. It is the role of senior executives to manage Altius in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

Independent Professional Advice and Access to Company Information

Each director has the right of access to all Altius information and to Altius' executives. Further, the Board collectively and each director, subject to informing the Chairman, has the right to seek independent professional advice from a suitably qualified advisor, at Altius' expense, to assist them to carry out their responsibilities. Where appropriate, a copy of this advice is to be made available to all other members of the Board.

Performance Review/Evaluation

Senior executive key performance indicators are set annually, with performance appraised by the Board, and reviewed in detail by the Remuneration & Nomination Committee at the end of the financial year.

Education and Induction

New directors undergo an induction process in which they are given a full briefing on Altius. Where possible, this will include meetings with key executives, and a due diligence package and presentations from management.

In order to achieve continuing improvement in Board performance, all directors are encouraged to undergo continual professional development.

12.2 THE BOARD IS STRUCTURED TO ADD VALUE

Composition of the Board and details of Directors

All incumbent directors bring an independent judgment to bear in Board deliberations and the current representation is considered adequate given the stage of the Company's development. The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. It is the approach and attitude of each Non-Executive Director which determines independence and this must be considered in relation to each Director, while taking into account all other relevant factors. Determination of the independence of directors is made with reference to the factors set out in the relationships affecting independent status in the ASX Principles.

Remuneration & Nomination Committee

The Board has established a Remuneration & Nomination Committee (Committee) and its role is set out in a formal charter which is available on the Altius website under "Corporate Governance".

The Remuneration and Nomination Committee is responsible for the evaluation of the Board, committees and individual directors' performance.

12.3 THE BOARD PROMOTES ETHICAL AND RESPONSIBLE DECISION MAKING

Confidentiality

In accordance with legal requirements and agreed ethical standards, Directors and key executives of Altius have agreed to keep confidential information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

Company Code of Conduct and Ethics

As part of its commitment to recognising, the legitimate expectations of stakeholders and promoting practices necessary to maintain confidence in the Company's integrity, Altius has an established Code of Conduct to guide compliance with legal, ethical and other obligations to legitimate stakeholders and the responsibility and accountability required of the Company's personnel for reporting and investigating unethical practices or circumstances where there are breaches of the Code. These stakeholders include employees, clients, customers, government authorities, creditors and the community as whole. This Code governs all Altius' commercial operations and the conduct of Directors, employees, consultants, contractors and all other people when they represent Altius. This Code also governs the responsibility and accountability required of the Company's personnel for reporting and investigating unethical practices.

The Board, management and all employees of Altius are committed to implementing this Code and each individual is accountable for such compliance. A copy of the Code is given to all employees, contractors and relevant personnel, including directors, and is available on the Altius website (under "Corporate Governance").

Altius has established a Diversity Policy and details of that Policy are available on the Altius website. The Policy is administered by the Remuneration and Nomination Committee and measureable objectives and progress on achieving them will be disclosed in each Annual Report.

Trading in Altius Shares

Altius' Share Trading Policy prohibits Directors from taking advantage of their position or information acquired, in the course of their duties, and the misuse information for personal gain or to cause detriment to the Company.

Directors, senior executives and employees are required to advise Altius' Company Secretary of their intentions prior to undertaking any transaction in Altius securities. If an employee, officer or director is considered to possess material non-public information, they will be precluded from making a security transaction until after the time of public release of that information. A copy of Altius' Share Trading Policy is available on the Altius website (under "Corporate Governance").

12.4 THE BOARD SAFEGUARDS INTEGRITY IN FINANCIAL REPORTING

Audit Committee

The Board has established an Audit Committee to assist the Board. The responsibilities of the Committee are set out in a formal charter which is available on the Altius website under "Corporate Governance".

The Audit Committee Charter sets out the policy for the selection, appointment and rotation of external audit engagement partners.

12.5 THE BOARD MAKES TIMELY AND BALANCED DISCLOSURE

Continuous Disclosure

The Board has designated Altius' Company Secretary as the person responsible for overseeing and co-ordinating disclosure of information to the ASX as well as communicating with the ASX.

The Board has established a written policy for ensuring compliance with ASX Listing Rule disclosure requirements and accountability at senior executive level for that compliance. A copy of the Altius Continuous Disclosure Policy is available on the Altius website (under "Corporate Governance").

12.6 THE BOARD RESPECTS THE RIGHTS OF SHAREHOLDERS

Shareholder Communication

Altius respects the rights of its shareholders and to facilitate the effective exercise of those rights, Altius communicates with its shareholders continually and periodically and encourages shareholder participation at annual general meetings. Periodic ASX announcements include quarterly reports, the half-year report, annual report and annual general meeting presentations. Copies of all ASX announcements and reports are made available on the Company's website. Shareholders are encouraged to provide an email address to receive electronic copies of all announcements and reports. The independent external auditor attends the Annual General Meeting to respond to questions from shareholders on the conduct of the audit and the preparation and content of the audit report.

12.7 THE BOARD RECOGNISES AND MANAGES RISK

The Board has accepted the role of identifying, assessing, monitoring, managing and mitigating wherever possible, any significant risks applicable to Altius and its operations. It has not established a separate committee to deal with these matters as the Directors consider the current size of Altius and its operations does not warrant a separate committee at this time. The Audit Committee is charged with the responsibility of financial risk management although, as noted above.

The Company is committed to the identification, monitoring and management of material business risks of its activities. The Board has in place a number of policies that aim to manage specific risks that have been identified. The Company's personnel are responsible for adhering to the Occupational Health and Safety Policy as part of the risk management process. Further, the Board is aiming to develop an overall policy for the oversight and management of material business risks accommodating its present and future stages of development.

The Board assumes ultimate responsibility for the oversight and management of material business risks and satisfies itself annually, or more frequently as required, that management has developed and implemented a sound system of risk management and internal control to manage the Company's material business risks. As the Company is aiming to develop its risk management framework it will consider implementing management reporting on the company's key risks. Given the Company's size and stage of development a formal reporting process has not been implemented as yet. However, the Board will oversee the adequacy and content of risk reporting from management and in future require management to report and indicate the effectiveness of the company's management of its material business risks.

12.8 THE BOARD REMUNERATES FAIRLY AND RESPONSIBLY

Remuneration Report and Nominations Policies

The responsibilities of the Remuneration & Nomination Committee include making recommendations to the Board regarding the remuneration of senior executives, executive directors and non-executive directors of the Company.

In accordance with the Constitution of Altius, shareholders determine the aggregate annual remuneration of the Non-Executive Directors.

Non-Executive Directors are eligible to receive options over the Company's shares at the time of their retirement where it is considered an appropriate element of remuneration in situations when the Non-Executive Director's skills and experiences are recognised as important to the Company's future development. The terms of the options are set out in agreements between the Company and Non-Executive Directors and will vary depending on the age of the relevant Director at the time of retirement.

The following documents constitute the material contracts of the Company:

1. Tenement Licences
2. Constitution
3. Sale and Purchase Agreement – Ropewalk Mining Pty Limited
4. Deed of Variation – Ropewalk Mining Pty Limited
5. Mining Royalty Deed – Ropewalk Mining Pty Limited
6. Sale and Purchase Agreement – John Sainsbury Consultants Pty Limited
7. Convertible Note Agreement – John Sainsbury Consultants Pty Limited
8. Sale and Purchase Agreement – 50% interest in EPM14498
9. Consulting Agreement – Alexander King
10. Employment Agreement – Joe Fekete
11. Deeds of Indemnity Access and Insurance – All directors
12. Corporate Advisor and Lead Manager – Novus Capital Ltd
13. Restriction Agreements (as required by ASX)

A summary of the main terms of each agreement is detailed hereunder:

13.1 TENEMENT LICENCES

Altius is the beneficial holder of Exploration Permit for Minerals (EPM) 14498 and Mining Leases (MLs) 3417 and 3418 in Queensland and Exploration Licences (ELs) 7036, 7039, 7041, 7045, 7046, 7082, 7155, 7159, 7173, 7195, 7332 and 7243 in New South Wales. The dates of grant, expenditure commitments and expiry dates of each tenement are as set out in the Independent Exploration Titles Report and the tenement schedule in Section 9 of this Prospectus. All necessary renewal applications have been lodged with the relevant Government Department.

Each of the tenements is granted subject to conditions. The general conditions of grant are:

- a. The Holder in each case cannot carry out prospecting operations on any land (including land where native title exists) otherwise than in accordance with an access arrangement with each landholder of the land over which the relevant tenement grant exists.
- b. The Holder in each case is required to notify and obtain approval from the relevant Licensing Authorities before certain prospecting operations are commenced.
- c. The Holder in each case must not prospect on any native title land without the prior written consent of the relevant Licensing Authority. An access arrangement is also required with the native title holders unless after diligent enquiry, in the manner specified in the relevant Mining Act, the native title holder cannot be found or identified.
- d. The Holder in each case must obtain the consent of the Licensing Authority before operations may be conducted in an area designated an 'exempted area' (as defined in the relevant Mining Act). These include state forest, state conservation areas, travelling stock reserves, reserves for any public purpose, permanent commons and crown roads.
- e. Compensation is payable to the landholder of any land for any loss suffered or likely to be suffered as a result of the exercise of the rights conferred under the respective licences or by an access arrangement in respect of the licence.
- f. The tenement grants are subject to reporting conditions, including the completion of an exploration program approved by the relevant licensing authority, minimum expenditure commitments as specified in each tenement grant, technical management of exploration approved by the relevant licensing authority, lodgment of annual reports, interim reports, airborne geophysical survey results (to be lodged within six calendar months of the completion of any airborne geophysical survey) and final reports (upon expiry or termination of the period of grant).
- g. If required, the Holder must lodge a renewal application prior to the expiration date of the period of grant and within the period specified in the relevant Mining Act, being not earlier than two months and not later than one month before the expiry date of the relevant tenement grant. Altius has not presently entered into any access arrangements in respect of any tenement grant. The Company intends to enter into arrangements with the relevant landowners immediately prior to obtaining access to and carrying out the necessary work pursuant to the tenement grants.

Full details of the terms and conditions of each grant are set out in Section 9 of this Prospectus.

13.2 CONSTITUTION

The constitution of the Company (formerly Altius Mines Pty Limited) is effectively a contract between the Company and each member, the Company and each Director and Company Secretary, and between a member and each other member, pursuant to section 140 of the Corporations Act. Investors who take up Shares under this Offer shall become bound by the Constitution of the Company and shall agree to observe and perform the provisions of the Constitution and any regulations or by-laws which may be made thereunder.

The significant aspects of the Constitution are as follows:

- a. The clauses of the Constitution as amended provide that upon the Company being admitted to the Official List of the ASX, and for so long as the Company remains admitted to the Official List of the ASX, the provisions set out in Chapter 15 of the ASX Listing Rules shall apply, and notwithstanding any provision of the Constitution, the Constitution shall be read subject to the prevailing provisions of the Listing Rules;
- b. The Company shall have no nominal capital;
- c. The number of Directors of the Company shall not be less than three and shall not be more than ten.
- d. Directors shall, subject to the Constitution and the Corporations Act (and any other applicable law), be entitled to have a material personal interest or financial benefit in the Company;
- e. Directors and any Associate can participate in an issue of Shares by the Company (subject to the Listing Rules);
- f. Except as required by law or under the SCH Business Rules, no person shall be recognised by the Company as holding any Share non-beneficially, and the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any Share or unit of a Share or any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder (subject to any other provision of the Constitution or any applicable law or court order);
- g. Subject to the Constitution, a holder of ordinary Shares in the Company shall be entitled to be present at any meeting and to vote in respect of those ordinary Shares and every Shareholder present shall be entitled on a show of hands, to one vote, or on a poll to one vote for each Share held by that Shareholder (except in the case of partly-paid Shares, which Shareholder shall be entitled to a fraction of a vote equivalent to the proportion which the amount paid up to bears to the total issue price)

13.3 SALE AND PURCHASE AGREEMENT – ROPEWALK MINING PTY LIMITED

By an agreement dated 15 May 2008 Altius (therein called by its former name Remine Gold Limited) purchased from Warren John Anderson, Graeme Andrew Anderson and Kevin Lindsay Anderson (the Vendors) a 50% interest in Queensland Mining Tenements ML3417, ML3418 and EPM14498 and the associated mining information and Ropewalk Mining Pty Limited (Ropewalk) agreed to sell certain mining equipment and stockpiles from those tenements to Altius in consideration for payment of a sum of money to Ropewalk which sum was varied by a Deed of Variation (referred to in section 13.7 hereof) and Altius agreed to assume the obligations of the Vendors to pay the sum of \$950,000 to John Sainsbury Consultants Pty Limited as consideration for the sale of the same interest in the tenements, the mining information and the mining equipment and stockpiles. Otherwise usual conditions and warranties are included in the agreement.

13.4 DEED OF VARIATION OF ROPEWALK MINING PTY LIMITED AGREEMENT

By an agreement dated 21 March 2009 the agreement dated 15 May 2008 (referred to in Section 13.3 above) was varied to provide for the issue and allotment of 3,000,000 ordinary shares in Altius together with payment of \$690,000 to Ropewalk in lieu of the payment by Altius to Ropewalk of the sum of money referred to therein and the execution of a Mining Royalty Deed by Altius in favour of Ropewalk (referred to in Section 13.5 hereof).

13.5 MINING ROYALTY DEED – ROPEWALK MINING PTY LIMITED

By an agreement dated 21 March 2009 Altius agreed with Ropewalk Mining Pty Limited ('Ropewalk') that pursuant to the provisions of the Deed of Variation referred to in Section 13.4 above Altius would be liable to pay either \$75,000 or a 2% nett smelter return royalty (whichever be greater) to Ropewalk every six months on all ore, concentrate or mineral products mined and produced from ML3417, ML3418 and EPM14498. The agreement also contains the usual terms and condition appertaining to such a Royalty Agreement.

13.6 SALE AND PURCHASE AGREEMENT – JOHN SAINSBURY CONSULTANTS PTY LIMITED

By an agreement dated 31 August 2007 between John Sainsbury Consultants Pty Limited ('Sainsbury') and Warren John Anderson and Graeme Andrew Anderson and Kevin Lindsay Anderson ('Anderson') Sainsbury agreed to sell to Anderson a 50% interest in the mining tenements, the mining information and the mining equipment and stockpiles (being the same interests as referred to in Section 13.3 above) for the sum of \$1,000,000 of which Anderson paid the sum of \$50,000 by way of deposit.

13.7 CONVERTIBLE NOTE AGREEMENT – JOHN SAINSBURY CONSULTANTS PTY LIMITED

By an agreement dated 10 November 2009 between Altius and John Sainsbury Consultants Pty Limited ('Sainsbury'). Altius agreed with Sainsbury that it would issue and allot 4,500,000 ordinary shares in Altius to Sainsbury (valuing each such share at 20 cents) upon conversion by Sainsbury of \$950,000 of the purchase price for a 50% interest in the mining tenements, the mining information and the mining equipment and stockpiles referred to in Section 13.6 hereof to shares in Altius. Altius also paid \$50,000 to Sainsbury by way of initial payment on account of such purchase price. The convertible note agreement also contains the usual terms and conditions applicable to such an agreement.

13.8 SALE AND PURCHASE AGREEMENT – 50% INTEREST IN EPM14498

By an agreement dated 18 May 2008 between Altius and John Sainsbury Consultants Pty Limited (Sainsbury). Sainsbury transferred the remaining 50% interest in EPM14498 to Altius for \$1 consideration.

13.9 CONSULTING AGREEMENT – ALEXANDER KING

By an agreement dated 1 July 2010 between Altius and Alexander King (King) Altius agreed to employ King as Chief Executive Officer and Managing Director of Altius on a full time basis in consideration of an annual salary of \$250,000 (indexed to CPI or as otherwise agreed) plus superannuation contributions and a sign on bonus of 2,500,000 unlisted share options in Altius exercisable by 30 June 2013 at 20 cents each together with other usual expenses and fringe benefits appertaining to such office.

The agreement also contains provisions for payment of incentive bonuses on achievement of key performance indicators to be set by the Board and termination on six months written notice and otherwise contains usual terms and conditions for confidentiality, dispute resolution, restraint and insurance and indemnity.

13.10 EMPLOYMENT AGREEMENT – JOE FEKETE

By an agreement dated 1 July 2010 between Altius and Joe Fekete (Fekete) Altius agreed to employ Fekete as Chief Financial Officer and Executive Director of Altius on a full time basis in consideration of an annual salary of \$180,000 (indexed to CPI or as otherwise agreed) plus superannuation contributions and a sign on bonus of 2,000,000 unlisted share options in Altius exercisable by 30 June 2013 at 20 cents each together with other usual expenses and fringe benefits appertaining to such office.

The agreement also contains provisions for payment of incentive bonuses on achievement of key performance indicators to be set by the Board and termination on six months written notice and otherwise contains usual terms and conditions for confidentiality, dispute resolution, restraint, insurance and indemnity. The agreement is not conditional upon Fekete remaining a director of Altius.

13.11 DEED OF INDEMNITY, ACCESS AND INSURANCE – ALL DIRECTORS

By these agreements between the Company and each Director the Company agrees to indemnify each Director, to the extent permitted by law against liabilities and legal costs incurred by each Director in his capacity as a Director of the Company and to maintain a Directors' and officers' insurance policy in respect of each Director at the cost of the Company.

In addition the Company agrees to provide each Director access to Board papers and other documents of the Company whilstver such Director holds office and for up to a seven year period thereafter.

13.12 CORPORATE ADVISOR, LEAD MANAGER & SPONSORING BROKER – NOVUS CAPITAL LTD

By an agreement dated 26 February 2011 between Novus Capital Ltd (Novus) and Altius, Novus agreed with Altius to be appointed Corporate Advisor, Lead Manager and Sponsoring Broker for the offer referred to in this Prospectus. Pursuant to the terms of the agreement, Novus agreed to consult with and advise the Altius due diligence committee, manage the public share issue and provide usual ancillary services of a Corporate Advisor, Lead Manager and Sponsoring Broker in consideration of a management fee of 1.0% plus GST together with a brokerage fee of 5.0% plus GST of all funds raised by Altius pursuant to this Prospectus.

13.13 RESTRICTION AGREEMENTS (AS REQUIRED BY ASX)

By these agreements as yet undated between holders and controllers of restricted securities in the Company (as identified in the Schedule to the agreements), and an escrow trustee and the Company, the escrow trustee shall hold the restricted securities allotted by the Company during the escrow period in respect of those securities. The escrow period applicable to vendors, directors and associates is 24 months. The escrow period applicable to non-associated parties is 12 months. The escrow periods may be varied as determined by ASX.

These agreements have been made for the purpose of complying with Chapter 9 of the ASX Listing Rules.

During the escrow period, the escrow trustee shall not dispose of, or agree to dispose of the restricted securities or create any interest in the restricted securities, transfer ownership or control of the restricted securities or participate in a return of capital made by the Company. If the restricted securities are kept on the certified sub register, the escrow trustee, as holder of those restricted securities, shall deposit the certificates for the restricted securities with a bank or recognized trustee for the escrow period. If the restricted securities are kept on the issuer sponsored sub register, then the escrow trustee, as holder of those restricted securities, shall apply a holding lock to those restricted securities. Upon expiry of the escrow period, the securities may be unlocked and released to the security holders, subject to the requirements of the ASX and the Listing Rules.



14.1. INCORPORATION

The Company is incorporated in Victoria, Australia.

14.2. MEETING AND VOTING

Each Shareholder will be entitled to receive notice of, and attend and vote at, General Meetings of the Company. At a general meeting, every Shareholder present in person or by proxy, representative or attorney will have one vote on a show of hands and, on a poll, one vote for each Share held.

14.3. NOTICES

Each Shareholder is entitled to receive all notices, accounts and other documents required to be given to Shareholders under the Constitution of the Company, the Corporations Act and the ASX Listing Rules.

14.4. WINDING UP

On a winding up of the Company, Shareholders will participate in any separate assets of the Company in proportion, as nearly as may be, to the capital paid up on the Shares held by them respectively at the commencement of the winding up.

14.5. TRANSFER OF SHARES

A Shareholder may transfer Shares by a proper SCH Transfer or an instrument in writing in any usual form or in any form approved by the Directors or the ASX. The Directors of the Company may refuse to register any transfer of Shares other than a proper SCH Transfer as defined in the Corporations Act 2001 (Cth), where permitted by ASX Listing rules or where it is not in a registrable form. The Company must not refuse to register or give effect to or delay or in any way interfere with a proper SCH transfer of Shares or other securities. Subject to ASX Listing rules and SCH business rules, while the Company is a listed company, the Board may suspend the registration of transfer at such time and for such periods, not exceeding 30 days in a year as they see fit.

14.6. DIVIDENDS

The profits of the Company which the Directors make from time to time and elect to distribute by way of dividends are divisible amongst the holders of Shares equally on the Shares in respect of which the dividend is paid.

14.7. ALTERATION TO THE CONSTITUTION

The Constitution can only be amended by special resolution passed by at least three quarters of voting Shareholders and at a general meeting. At least 28 days' written notice, specifying the intentions to propose the resolution as a special resolution, must be given. Copies of the Company's Constitution are available for inspection at the registered office of the Company.

14.8. TAXATION

The acquisition and disposal of Shares in Altius will have tax consequences, which will differ depending on the individual financial affairs of each Shareholder. Potential investors in Altius are urged to take independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally. To the maximum extent permitted by law, Altius, its current and proposed officers and each of their respective advisors accept no responsibility with respect to the taxation consequences of subscribing for new Shares under this Prospectus.

14.9. COMPANY TAX STATUS

The Directors expect that the Company will be taxed in Australia as a public company.

14.10. INTEREST AND REMUNERATION OF DIRECTORS

Under Altius' Constitution, the Directors shall be paid as remuneration for their ordinary services as Directors a fixed sum to be divided amongst them in such proportion and manner as the Directors agree and, in default of agreement, equally. The total aggregate amount that may be paid to the Directors is currently set at \$500,000 per annum. At the date of this Prospectus, the Directors and their related entities hold the following Shares.

Name Of Director	No of Shares Held	Number of unlisted Options Held	Rights to future Unlisted Options*
Jannie Chan Siew Lee	21,443,750	21,443,750	3,000,000
Alexander King	23,316,250	2,500,000	3,000,000
Robert McLennan	13,500,000	Nil	3,000,000
Joe Fekete	1,250,000	2,000,000	3,000,000

*Directors resolved to allocate performance options for services in finalising of the prospectus and listing process. These are to be ratified by shareholders at the next EGM or AGM.

The following remuneration is payable to each Board Member and/or Officer:

Name Of Board Member and/or Officer	Fee
Jannie Chan Siew Lee	Director Fee of \$60,000 per annum
Robert McLennan	Director Fee of \$48,000 per annum
Alexander King	Director Fee of \$NIL per annum
Joe Fekete	Director Fee of \$NIL per annum
Alfonso M G Grillo	Secretary's Fee of \$36,000 per annum

There were consulting contracts with non executive directors. These contracts have been recinded and if consulting is required above and beyond what is payable as a director, then approval will be required by the board. This may occur from time to time.

Interests of Directors

Dr Jannie Chan Siew Lee

- Chairman and non-executive Director
- An ability as a Director to direct allocation of Shares in the Offer.

Alexander King

- Managing Director
- An ability as a Director to direct allocation of Shares in the Offer
- Beneficiary of a consulting agreement with the Company.

Robert McLennan

- Non-Executive Director
- An ability as a Director to direct allocation of Shares in the Offer.

Joe Fekete

- Executive Director
- An ability as a Director to direct allocation of Shares in the Offer.
- Beneficiary of an employment agreement with the Company
- Director of WOW! Travel Pty Ltd a company that offers travel services to Altius Mining Ltd.

14.11. FEES AND COMMISSIONS

It is anticipated that the cash expenses of the Offer will be between approximately \$860,000 and \$1,100,000 (based on the subscription being achieved). In addition to these cash expenses, a further \$465,854 transaction costs were paid for out of pre IPO capital raising prior to 31 December 2010. These costs are included in the balance sheet as at 31 December 2010 as a prepayment. These expenses will be released and reclassified against share capital upon listing. The below fees and expenses include the cost of the Investigating Accountants report, general capital raising fees and costs, legal fees, Share registry fees, accounting fees, ASX fees, printing and other expenses. Fees and commissions will be paid in connection with the Offer as follows:

Nature of Fee	Amounts (\$)	
	Min	Max
Funds raised:	8,000,000	12,000,000
Capital raising fees**	480,000	720,000
Broker management fees	100,000	100,000
ASX / ASIC	75,000	75,000
Legal fees	15,000	15,000
Expert reports	10,000	10,000
Accounting	50,000	50,000
Share registry	20,000	20,000
Printing	35,000	35,000
Misc expense	75,000	75,000
Total	860,000	1,100,000

** In addition to the cash expenses of the offer above, upon successful completion of the ASX listing the sponsoring broker will be issued 750,000 shares at \$0.20c each.

14.12. INTERESTS OF EXPERTS AND ADVISORS

Other than as set out below or elsewhere in this Prospectus:

No person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus, any promoter of the Company or broker to the Issue, holds, or held at any time during the 2 years before lodgement of this Prospectus with the ASIC, any interest in:

- The formation or promotion of the Company
- Property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer
- The Offer
- No amounts have been paid or agreed to be paid, and no benefits have been given or agreed to be given, to any of those persons in connection with the formation or promotion of the Company or the Offer

BDO Audit (NSW VIC) Pty Ltd was appointed auditor at the AGM January 2011 and has acted as auditors to the company in preparation and finalisation of the interim financial report for 6 months ended 31st December 2010.

Hetherington – Exploration & Mining Title Services Pty Ltd was commissioned for the independent exploration and mining tenements report on all Queensland and New South Wales mining and exploration licenses. The Company estimates it will pay Hetherington \$15,000 including GST.

Minnelex Pty Ltd (Minnelex) has acted as the Independent Geologist to the Company. The Company estimates it will pay Minnelex a fee from the Company totalling \$20,000 including GST.

Novus Capital Ltd has acted as Corporate Advisor and Lead Broker to the Offer. The Company estimates it will pay a total of \$580,000 for the minimum \$8 million capital raising, or \$820,000 for a maximum \$12 million capital raising. These fees are Service fees of up to 6% plus GST on the total funds raised through the offer. Otherwise during the 12 months preceding lodgment of this Prospectus with ASIC, Novus Capital Ltd may receive up to \$100,000 in management fees from the Company. In addition, upon successful completion of the ASX listing, Novus Capital Ltd will be issued 750,000 shares.

Pitcher Partners have acted as Auditors to the Company up until the finalisation of the 30th June 2010 financial accounts.

PriceWaterhouseCoopers Securities Ltd has acted as the Investigating Accountant to the Company. The Company estimates it will pay PriceWaterhouseCoopers Securities Ltd a fee for its services from the Company totalling \$50,000 excluding GST, plus \$35,018 paid prior to 31 December 2010 and included within the prepayments described in 14.11.

Websters Solicitors & Barristers has acted as the legal advisors in co-ordinating the Due Diligence process. This entailed advice on material contracts, content on the prospectus, preparation of the due diligence minutes and documentation for lodgement with ASX and ASIC. The Company estimates it will pay Websters Solicitors & Barristers a fee from the Company totalling \$13,500 including GST.

14.13. CONSENTS

Written consents to the issue of this Prospectus have been given and at the date of this Prospectus have not been withdrawn by the following parties:

BDO Audit (NSW VIC) Pty Ltd has given and has not, before lodgement of this Prospectus, withdrawn its consent to being named in the Prospectus in the form and context to which it is named. BDO Audit (NSW VIC) Pty Ltd specifically disclaims liability to any person in the event of any omission from, or any false or misleading statement included elsewhere in this Prospectus. BDO Audit (NSW VIC) Pty Ltd has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of the Prospectus other than the Investigating Accounting Report.

Hetherington – Exploration & Mining Title Services Pty Ltd has given and has not, before lodgement of this Prospectus, withdrawn its consent to being named in the Prospectus in the form and context to which it is named. Hetherington specifically disclaims liability to any person in the event of any omission from, or any false or misleading statement included elsewhere in this Prospectus. Hetherington has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of the Prospectus other than the Independent Exploration & Mining Tenements Report.

Minnelex Pty Ltd (Minnelex) has given and has not, before lodgement of this Prospectus, withdrawn its consent to being named in the Prospectus in the form and context to which it is named. Minnelex specifically disclaims liability to any person in the event of any omission from, or any false or misleading statement included elsewhere in this Prospectus. Minnelex has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of the Prospectus other than the Independent Geological Report

Websters Solicitors & Barristers has given and has not, before lodgement of this Prospectus, withdrawn its consent to being named as sponsoring broker to the Offer in the form and context in which it is named. Websters Solicitors & Barristers specifically disclaims liability to any person in the event of any omission from, or any false or misleading statement included elsewhere in this Prospectus. While Websters Solicitors & Barristers has provided advice to the Directors in relation to the issue of this Prospectus and the conduct of due diligence enquiries by the Company and the Directors, Websters Solicitors & Barristers has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of the Prospectus other than references to its name

Computer Share Investor Services has given and, as the date hereof has not withdrawn its written consent to be named as the Share register in the form and context in which it is named

Novus Capital Ltd has given and has not, before lodgement of this Prospectus, withdrawn its consent to being named as Corporate Advisor and Lead Broker to the Offer in the form and context in which it is named. Novus specifically disclaims liability to any person in the event of any omission from, or any false or misleading statement included elsewhere in this Prospectus. While Novus has provided advice to the Directors in relation to the issue of this Prospectus and the conduct of due diligence enquiries by the Company and the Directors, Novus Capital Ltd has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of the Prospectus other than references to its name.

PriceWaterhouseCoopers Securities Ltd has given and has not, before lodgement of this Prospectus, withdrawn its consent to being named in the Prospectus in the form and context to which it is named. PriceWaterhouseCoopers Securities Ltd specifically disclaims liability to any person in the event of any omission from, or any false or misleading statement included elsewhere in this Prospectus. PriceWaterhouseCoopers Securities Ltd has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of the Prospectus other than the Investigating Accounting Report.

14.14. TAX FILE NUMBERS

An applicant for Shares is not obliged to quote his or her Tax File Number (TFN), however, in cases where no TFN is quoted Altius must deduct tax from any dividend payable, to the extent they are not franked at the top personal margin rate plus Medicare Levy, which presently amounts to 48.5% in aggregate. There are special rules for the quotation or non-quotation of TFN applying to different categories of investors such as non-residents of Australia, tax exempt bodies, joint holders and other special categories. Applications by individuals, companies, partnerships, trustees, superannuation funds and approved deposit funds are largely unaffected by any special rules and therefore may quote a TFN by simply completing the TFN details on the application form.

The above does not purport to be an exhaustive statement of the law relating to TFN's and is provided as a guide only. If you are in any doubt, please consult your accountant, lawyer or taxation consultant.

14.15. TAXATION OBLIGATIONS

The taxation obligations and the effects of the participation in this Offer can vary depending upon the circumstances of each individual investor, particular circumstances relating to his or her holding of securities and the taxation laws applicable to investors of residents of different jurisdictions. Investors who are in doubt as to their taxation position should seek professional advice. It is solely the responsibility of the individual applicant to inform themselves of their taxation position resulting from participation in this Offer.

The above does not propose to be an exhaustive statement of the law relating to TFN's and is provided as a guide only. If you are in any doubt, please consult your accountant, lawyer or taxation consultant.

14.16. LITIGATION

In April 2011 the Company received a letter of demand whereby a former Director of the Company is seeking the payment of commissions of approximately \$240,000 in respect of pre-ipo capital raised by the Company following introductions made to the Company by that former Director. The Company is of the view that it has no liability to make payment of commissions to the former Director. Whilst legal proceedings have been threatened, as at the date of this Prospectus no proceedings have been commenced against the Company. The Company proposes to defend any proceedings that may be issued against it in respect of this matter.

Other than as set out above, the Company is not involved in any material legal proceedings and the Directors are not aware of any other material legal proceedings pending or threatened against the Company.

14.17. ELECTRONIC PROSPECTUS

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the relevant Application form. If you have not, please contact the Company using the contact details set out in this Prospectus and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both. Alternatively, you may obtain a copy of the Prospectus from the Company's website at www.altiusmining.com.au or from the Novus Capital Ltd website at www.novuscapital.com.au.

The Company reserves the right not to accept an Application form from a person if it has reason to believe that when that person was given access to the electronic Application form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

14.18. UNLISTED OPTIONS – CONDITIONS AND TERMS

At listing 72,343,750 unlisted options to acquire shares in the Company will have been issued to Pre IPO Shareholders, external service agents, directors and to officers of the Company as part of their service contracts. The table of Optionees is as follows:

Optionee	Expiry Date	Number of Unlisted Options
Management & consulting allocations	30/6/2013	7,500,000
Pre-IPO capital investors	30/6/2013	52,843,750
Directors allocations – Subject to Shareholder approvals	30/6/2014	12,000,000

The terms and conditions of the Options are:

- Each Option entitles the holder to subscribe for one ordinary share in the Company upon payment of 20 cents.
- The Options are exercisable at any time during the period commencing on the date the Company's Shares are admitted to quotation on the ASX, the expiry date is either June 30, 2013 or June 30, 2014 as detailed in the table 14.18 above (Expiry Date), by notice in writing to the Directors of the Company accompanied by payment of the exercise price. An exercise of only some of the Options shall not affect the rights of the holder to the balance of the Options held by such option holder.
- Options not exercised by the Expiry Date will automatically expire.
- Shares allotted and issued pursuant to the exercise of an Option will be allotted and issued not more than 14 days after the receipt of a properly executed notice of exercise of Option and the application monies in respect of the exercise of such Option.
- The Options are not transferable other than to a related entity (as defined by the Corporations Act) and will not be listed for Official Quotation on the ASX prior to exercise.
- All shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then existing ordinary fully paid shares.
- There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. The Company, however, will ensure that for the purpose of determining entitlements to any such issue, the books closing date will be at least 12 business days after the issue is announced. This will give option holders the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue.
- In the event of any reorganisation (including reconstruction, consolidation, sub-division, reduction or return of capital) of the issued capital of the Company, the number of Options or the exercise price of the Options or both shall be reconstructed (as appropriate) in a manner which will not result in any benefits being conferred on option holders which are not conferred on shareholders and (subject to such provisions with respect to the rounding of entitlements as sanctioned by the meeting of shareholders approving the reconstruction of capital) in all other respects the terms for the exercise of the Options shall remain unchanged, subject to the ASX Listing Rules.
- The option holder has no right to a change in the exercise price of the Options or a change to the number of underlying securities over which the options can be exercised unless required under the Listing Rules upon a reorganisation of capital.

The Company has not issued any options which will be listed upon listing of the Company.

14.19. CONVERTIBLE NOTES – CONDITIONS AND TERMS

All convertible notes will have been converted to ordinary fully paid shares upon listing of the Company – refer table 2.6. The conversion to shares are at various conversion rates from \$0.08c, \$0.10c, \$0.16c and \$0.20c.

Each of the Directors has consented to the lodgement of this Replacement Prospectus with ASIC and has not withdrawn that consent.

In accordance with Section 730 of the Corporations Act, each Director has consented to the lodgement of this Replacement Prospectus with the ASIC.

3 August 2011

Signed for and on behalf of Altius Mining Limited



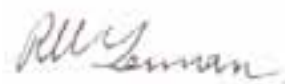
Dr. Jannie Chan Siew Lee
Non-Executive Chairperson



Alexander King
Managing Director/CEO



Joe Fekete
Executive Director/CFO



Robert McLennan
Non-Executive Director

In this Prospectus, the following terms, have the attributed definitions:

\$ or Cents	The currency of Australia unless stated otherwise
Altius Mining Limited	The Company (ACN 126 540547)
Application	A valid application to subscribe for Shares
Application Form	The application forms enclosed with and forming part of this Prospectus for use by investors
Application Monies	20 cents being the amount payable in respect of each Share under the Offer
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ABN 98 008 624 691)
Board of Directors and Board	Board of Directors as constituted from time to time
Business Day	As the meaning ascribed to it in the Listing Rules
CHESS	ASX Clearing House Electronic Sub-registry System
Closing Date	31 August 2011 (subject to the rights of the Directors to extend this date without notice)
Company	Altius Mining Limited (ACN 126 540 547)
Constitution	The constitution of the Company
Corporate Advisor and Lead Manager	Novus Capital Ltd
Corporations Act	The Corporations Act 2001 (Cth)
Directors	The Directors of the Company at the date of issue of this Prospectus
Exploration Licences	Licences issued by the NSW Department of Primary Industries to enable exploration of minerals in NSW
EPMs	Queensland tenements (Exploration Permit Minerals).
Existing Shares	Shares in the Company which were issued on or before the date of this Prospectus
Historical Financial Information	The definition as set out in Section 10
Gilmore Suture	A linear geological structure which is a focus of mineralisation in central NSW
Income Statements	The income statements set out in Section 10
IP	Induced Polarisation
IPO	Initial Public Offering
Issue	The issue of Shares under this Prospectus
JORC	Joint Ore Reserves Committee of the Australasian Institute of Mining & Metallurgy and the Australian Securities Exchange Ltd
Lachlan Fold Belt	An extensive geological region containing folded rocks and located mainly within NSW
Listing Rules	The Official Listing Rules of the ASX
Subscription	Minimum 40,000,000 and maximum of 60,000,000 Shares at 20 cents each
NSW	The State of New South Wales
Offer	The offer is a minimum of 40,000,000 and maximum of 60,000,000 Shares at 20 cents each under this Prospectus
Offer Price	20 cents being the amount payable in respect of each Share under the Offer
Official List	The official list of the ASX
Official Quotation	Quotation on the Official List of ASX
Prospectus	This replacement prospectus dated 3 August 2011
Porphyry	A crystallised rock, typically porphyritic, having hairline fractures that may contain copper-gold and other metals
QLD	The State of Queensland
RAB	Rotary Air Blast
RC	Reverse Circulation
SCH Business Rules	The Securities Clearing House business rules and any other rules of ASX Settlement and Transfer Corporation Pty Ltd which apply while the Company is an issuer of CHESS-approved securities, each as amended or replaced from time to time
Section	Sections as referred to in this Prospectus
Shares	Fully paid ordinary Shares in the capital of the Company
Shareholder	A holder of Shares in the Company
Statement of Financial Position	The statement of financial position of the company is set out in Section 9

Table Of Elements		Measurements	
Au	Gold	g/t	grams per tonne
Co	Cobalt	km	kilometres
Cr	Chromium	m	metres
Cu	Copper	Mt	Million tonnes
Fe	Iron	ppm	parts per million
Mo	Molybdenum	sq km	square kilometres
Pb	Lead	unit	3 sq km (approx.) NSW
U	Uranium	Moz	Million ounces
Ni	Nickel		
Ag	Silver		



How to complete this form

A

Shares Applied for

Enter the number of Shares you wish to apply for. The application must be for a minimum of 10,000 Shares (A\$2,000). Applications for greater than 10,000 Shares must be in multiples of 5,000 Shares (A\$1,000).

B

Application Monies

Enter the amount of Application Monies. To calculate the amount, multiply the number of Shares by A\$0.20.

C

Applicant Name(s)

Enter the full name you wish to appear on the statement of share holding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHES) participants should complete their name identically to that presently registered in the CHES system.

D

Postal Address

Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E

Contact Details

Enter your contact details. These are not compulsory but will assist us if we need to contact you.

F

CHES

Altius Mining Limited (the Company) will apply to the ASX to participate in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Securities Exchange Limited. In CHES, the company will operate an electronic CHES Subregister of security holdings and an electronic Issuer Sponsored Subregister of security holdings. Together the two Subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of Shares allotted. If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold Shares allotted to you under this Application on the CHES Subregister, enter your CHES HIN. Otherwise, leave this section blank and on allotment, you will be sponsored by the Company and allocated a Securityholder Reference Number (SRN).

G

Payment

Make your cheque or bank draft payable to "Altius Mining Share Offer" in Australian dollars and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian Bank.

Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box B. **Please note that funds are unable to be directly debited from your bank account.**

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the Application Form where indicated. Cash will not be accepted. Receipt for payment will not be forwarded.

Before completing the Application Form the applicant(s) should read this replacement prospectus to which this application relates. By lodging the Application Form, the applicant agrees that this application for Shares in Altius Mining Limited is upon and subject to the terms of the replacement prospectus and the Constitution of Altius Mining Limited, agrees to take any number of Shares that may be allotted to the Applicant(s) pursuant to the replacement prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application

Application Forms must be received by Computershare Investor Services Pty Limited ("CIS") Melbourne by no later than 5.00pm (AEST) on Wednesday, 31 August 2011. You should allow sufficient time for this to occur. Return the Application Form with cheque(s) attached to:

Computershare Investor Services Pty Limited
GPO Box 52
MELBOURNE VIC 3001

OR

Novus Capital Ltd
Level 8, 330 Collins Street
MELBOURNE VIC 3000

Neither CIS nor the Company accepts any responsibility if you lodge the Application Form at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by CIS, as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail privacy@computershare.com.au

If you have any enquiries concerning your application, please contact the Computershare Investor Services Pty Limited on 1300 707 513 (within Australia) and +61 3 9415 4170 (outside Australia).

Correct forms of registrable title(s)

Note that ONLY legal entities are allowed to hold Shares. Applications must be made in the name(s) of natural persons, companies or other legal entities in accordance with the Corporations Act. At least one full given name and the surname is required for each natural person. The name of the beneficial owner or any other registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms of registrable title(s) below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual - Use given name(s) in full, not initials	Mr John Alfred Smith	J.A Smith
Joint - Use given name(s) in full, not initials	Mr John Alfred Smith & Mrs Janet Marie Smith	John Alfred & Janet Marie Smith
Company - Use company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts - Use trustee(s) personal name(s) - Do not use the name of the trust	Ms Penny Smith <Penny Smith Family A/C>	Penny Smith Family Trust
Deceased Estates - Use executor(s) personal name(s) - Do not use the name of the deceased	Mr Michael Smith <Est John Smith A/C>	Estate of Late John Smith
Minor (a person under the age of 18) - Use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Peter Smith
Partnerships - Use partners personal name(s) - Do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith & Son A/C>	John Smith & Son
Clubs/Unincorporated Bodies/Business Names - Use office bearer(s) personal name(s) - Do not use the name of the club etc	Mrs Janet Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds - Use the name of trustee of the fund - Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund

I P O

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How to complete this form

A

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Application Monies

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OR

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If you have any enquiries concerning your application, please contact the Computershare Investor Services Pty Limited on 1300 707 513 (within Australia) and +61 3 9415 4170 (outside Australia).

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Minor (a person under the age of 18) - Use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Peter Smith
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Superannuation Funds - Use the name of trustee of the fund - Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund

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